



Bridging the Gap: Affordable Housing and Workforce Development Strategies

Prepared For:
City of Chattanooga, Mayor's Office

Prepared By:
National Resource Network Team

Enterprise Community Partners, Inc.
Christopher Kizzie
Laura Searfoss

Jobs for the Future
Jennifer Freeman
Dimitri Linde

November 3, 2016

TABLE OF CONTENTS

EXECUTIVE SUMMARY	3
THE CONNECTION BETWEEN AFFORDABLE HOUSING AND WORKFORCE DEVELOPMENT	4
SECTION 1 – AFFORDABLE HOUSING IN CHATTANOOGA	5
• Existing Conditions	6
○ Housing Needs	6
○ Housing Supply	7
○ Limited Access To Opportunity	8
• Local Barriers and Assets	9
○ Local Barriers	10
○ Local Assets	10
• Opportunities	11
• Establishing a Framework	13
SECTION 2 – WORKFORCE DEVELOPMENT IN CHATTANOOGA	14
• Existing Conditions	14
○ Health Care Industry	16
○ The Manufacturing Industry	17
○ Opportunity in Other Occupational Areas	19
• Local Barriers and Assets	20
○ Local Barriers	20
○ Local Assets	21
• Opportunities	25
SECTION 3 – BRIDGING THE GAP	31
• Aligning Visions	31
○ Common Challenges	32
○ Common Goals	32
○ Common Vision	32
• Linking Strategies	33
• Developing a Roadmap	34
○ An Opportunity Typology	34
○ Aligning Strategies, Policies and Financing Mechanisms	35
REFERENCES	37
APPENDICES	
• Appendix A – Community Profile - Infographic	
• Appendix B – Comparison of Cities	
• Appendix C – Detailed Data Tables and Maps	
• Appendix D – Local Innovative Approaches	
• Appendix E – Opportunity Strategy Road Map	
• Appendix F – Workshop Strategies	

EXECUTIVE SUMMARY

The City of Chattanooga serves as the regional hub for jobs, arts and culture, and overall urban living, as evidenced by a larger share of regional commuters and modest population growth since 2009.ⁱ While the City has been prospering in many ways, the benefits of new job growth and real-estate development have not been shared by all Chattanooga residents. In terms of affordable housing, needs among residents persist, and in some cases, have grown. In terms of workforce development, a significant portion of residents face unemployment or lower educational attainment that could affect their ability to access higher-paying jobs in growing sectors such as healthcare and manufacturing.

While these challenges are present throughout Chattanooga, they affect one group of residents—those who are “hard-to-house” and “hard-to-employ”—and specific areas throughout the City more acutely than other residents or areas. To further understand the connections between housing and workforce development, the project team from the National Resource Network (NRN) used Enterprise’s *Communities of Opportunity Index* as a framework to link strategies that target the City’s hard-to-house and hard-to-employ population. The Kirwan Institute defines opportunity as “a situation or condition that places individuals in a position to be more likely to succeed or excel.”ⁱⁱ The *Communities of Opportunity Index* analyzes a wide range of data indicators across five core dimensions of opportunity, focused on long-term economic mobility and well-being: 1) housing security, 2) housing market conditions, 3) healthcare, 4) transit and infrastructure, and 5) economic mobility and inclusion.

Drawing on this analysis, this report proposes an opportunity-based typology and roadmap to align appropriate affordable housing and workforce development strategies with specific local conditions, funding resources, and partners at the Census Tract level. In other words, it identifies where opportunity already exists—evidenced by more positive conditions—and identifies targeted strategies to secure affordable housing investments in opportunity-rich communities. Similarly, it shows areas of higher need and helps focus efforts on promoting both equitable affordable housing and workforce development programs to support economic mobility and resident connections in these areas.

In partnership with local affordable housing organizations, real-estate developers, workforce development stakeholders, and residents, the City should focus its efforts on increasing access to opportunity for residents through its affordable housing and workforce development strategies, using this roadmap as a means to better align their existing and future work. Through cross-sector collaboration, the City and its partners can build communities of opportunity and ensure all Chattanooga residents benefit from the City’s growing prosperity.

During the “Bridging the Gap” workshop in October 2016, affordable housing and workforce development stakeholders affirmed the need for a more coordinated effort between their respective sectors, noting that piloting a comprehensive approach to both housing and workforce development needs in a specific geographic location could initiate this effort. In addition to a pilot project, the following actions would support closer coordination and better use of limited resources:

- ***Finalize visions for affordable housing and workforce development.*** To help facilitate partnerships, priorities, community engagement and align resources, the City needs a common vision for both affordable housing and workforce development. The City’s stronger neighborhoods framework, Chattanooga 2.0, combined with the *Communities of Opportunity Index*, provides the necessary context for the City to shape its vision.

- **Align affordable housing and workforce development strategies around access to opportunity.** Using the *Communities of Opportunity Index*, typology and roadmap, the City can better understand market and neighborhood conditions and how those conditions impact access to opportunity for hard-to-house and hard-to-employ populations. By understanding the relationship between various workforce development and housing market conditions and other social challenges, the City will be able to choose the appropriate strategies and begin to shift the focus from isolated programs and policies, to coordinated cross-sector strategies and partnerships that promote access to opportunity.
- **Pursue alternative financing and policy tools that incentivize affordable housing and workforce development.** The City's recently revised Housing PILOT Program and regulatory changes through adoption of its form-based code are good steps toward prioritizing affordable housing. However the City lacks the necessary financing mechanisms and policies to adequately leverage existing resources to respond to the level of need for its residents. Section 108 funds, for example, could be leveraged to catalyze a mixed-use development that combines mixed-income housing and workforce training in a tipping point opportunity area.
- **Align organizational structure to support strategies moving forward.** The Department of Economic and Community Development (ECD) is well positioned to lead the City's affordable housing strategies, while Chattanooga 2.0 has united several stakeholders to coordinate workforce development strategies. Moving forward, the City may need to consider structural changes to better position itself to prioritize, implement and support coordinated affordable housing and workforce development strategies that are focused on neighborhoods, rather than City-wide programs.

THE CONNECTION BETWEEN AFFORDABLE HOUSING AND WORKFORCE DEVELOPMENT

Data analysis and anecdotes collected from local stakeholders over the course of this engagement underscored the importance of cross-sector connections between affordable housing and workforce development. One local stakeholder articulated the need to acknowledge the dual sides of these challenges, saying we can't build our way out to more affordable housing; access to higher incomes has to be part of the solution.

Yet, like in many cities in the United States, Chattanooga still approaches its affordable housing and workforce development challenges as discrete issues, and at times responds to these challenges with disconnected or competing strategies or programs. As a result, related challenges among both residents of distressed communities and employers are often overlooked, particularly in formulating solutions.

Matthew Desmond, author of *Evicted*, powerfully explains the connection between affordable housing and workforce development, calling affordable housing a "human-capital investment." Desmond concludes that workers falling behind on rent and facing eviction are more likely to demonstrate declining work performance or be laid off. He explains why employers and other groups involved in workforce development efforts should care about affordable housing this way: "Families crushed by the high cost of housing cannot afford vocational training or extra schooling that would allow them to acquire new skills; and many cannot stay in one place long enough to hold down the same job. Affordable housing is a human-capital investment, just like job programs or education, one that would strengthen and steady the American workforce."

In short, affordable housing helps build and retain a more competitive workforce and strong local economies. And a more competitive workforce can access better-paying jobs, in turn enabling scarce housing resources to help those most in need.ⁱⁱⁱ

Understanding place, as a means to provide access to the types of services, housing, education, healthcare, and transportation, plays a critical role in beginning to build connected strategies for hard-to-house and hard-to-employ residents. As Alan Mallach describes, not all neighborhoods (or places) offer the types of services residents, especially hard-to-house and hard-to-employ residents, need to thrive. Instead, “when it comes to the housing market, neighborhoods tend to fall along points of a continuum, from the strongest neighborhoods, with the greatest housing demand and highest prices, to the weakest, where there is little demand and prices are low.”^{iv}

Similar dynamics can be seen in the Chattanooga economy, with unprecedented job growth in sectors such as manufacturing, healthcare, and logistics on one end, and on the other, residents in certain neighborhoods who are unable to benefit from the city’s recent job growth due to lack of opportunity in the form of education, training and social supports.

REPORT STRUCTURE

Section 1 of this report summarizes key trends related to affordable housing needs. It also explores local barriers related to the City’s affordable housing work and existing assets and opportunities to inform strategy. Section 2 focuses on similar topics related to workforce development, including industry and job growth, assets, and opportunities. Section 3 aligns affordable housing and workforce development visions and goals, cross-sector strategies, funding, and neighborhood conditions in a roadmap to assist the City and its partners in implementing affordable housing and workforce development strategies that are responsive to place.

SECTION 1 – AFFORDABLE HOUSING IN CHATTANOOGA

While Chattanooga compares favorably to other Southern cities, Chattanooga’s hard-to-house residents face significant challenges, including rising housing costs, low-income levels, lack of affordable units and housing types, and limited access to opportunity (see Appendix B for full comparison).

Many residents throughout the City, especially renters, pay a high percentage of their incomes toward housing costs. The number of residents in need of affordable housing has grown in recent years, driven by housing costs that outpaced income growth. The most vulnerable residents—those who are low-income and paying 50 percent or more of their income toward housing costs or “housing insecure” residents—may not be able to find housing priced at affordable rents (\$298–\$794).^v

While Chattanooga has a sufficient supply of housing priced at these levels, about one-third of these units are being occupied by households with higher incomes. The age and types of housing within the City could constrain the supply of affordable housing over time. Anecdotal evidence suggests market pressure threatens affordability in Chattanooga’s established or stable neighborhoods, citing stories about the cost of utilities exceeding rent, loss of “income-affordable” housing, and investors buying out long-time homeowners.

These challenges, discussed in more detail below, extend beyond housing, further underscoring the need for a cross-sector perspective in addressing them. Housing insecure households—in addition to

households already receiving rental assistance—tend to live in areas with limited access to opportunity, as evidenced by higher rates of crime and low transit frequency and coverage. The following section is support by data tables and maps in Appendix C.

EXISTING CONDITIONS

What does the data say?

HOUSING NEEDS

Housing need is primarily characterized by residents paying too much for housing, as captured by the data on cost-burdens. The number of residents in need of affordable housing has grown in recent years, driven by higher housing costs and lower wages. Housing insecure households pay the most toward housing (50 percent of their income or more) and have the lowest ability to pay (due to incomes between 0 and 80 percent of the area median income, or less than \$31,764).

Housing costs. Housing costs—a general term meaning mortgage payments and utilities for owners and rent and utilities for renters—have increased for renters and decreased for owners within the City of Chattanooga since 1990. Between 1990 and 2014, housing costs for renters increased 57 percent, while median income only increased 3 percent over the same time period. Figure 1 shows the growing gap between renters’ housing costs and median income. When compared with county- and state-level trends, Chattanooga has experienced a wider gap between rents and income than Hamilton County and the state of Tennessee.^{vi}

Housing costs for homeowners in Chattanooga, on the other hand, have fluctuated over the last two-plus decades, but overall, have not increased. Figure 2 demonstrates that homeowners’ housing costs have kept pace with income over time, even though housing costs and median income varied year-to-year. This finding largely mirrors state- and county-level trends, where housing costs for homeowners with mortgages increased by 1 percent in both cases.^{vii}

Cost-burdens. Higher costs—particularly for renters—have resulted in 35 percent (or 25,130) of Chattanooga’s households living with cost-burdens, paying more than 30 percent of their household income toward housing costs. The number of cost-burdened households increased by 6 percent since 2009—although another disparity exists between renters and owners. The number of cost-burdened owner households fell by 729 between 2009 and 2014, while the number of renter households increased by 1,667.^{viii} As of 2014, 18 percent of households—or 12,197 households—in Chattanooga were “housing insecure.” Again, housing insecurity affects renters more acutely, about 16 percentage points higher than owners.

Geographically, concentrations of cost-burdened and housing insecure owners are dispersed among a few adjacent Census Tracts that are farther east than areas of concentration for cost-burdened and housing insecure renters, who tend to live closer to Downtown Chattanooga (see Maps 1a–1b and 2a–2b).^{ix}

Hard-to-house and hard-to-employ population. Housing insecurity affects residents of all walks of life within Chattanooga. It is most prevalent, however, among residents living alone or with unrelated roommates, representing 59 percent of all housing insecure households. Households with children—either single parents or married couples—comprise another one-third of these households. Housing insecurity affects Black and African Americans at a higher rate than it affects the City’s total population

(38 percent compared to 29 percent). Overall, though, one-half of all housing insecure households identify as White.^x

High unemployment and low educational attainment among housing insecure households underscores the need for workforce development in addition to more affordable housing options. Forty-eight percent of housing insecure households lack post-secondary credentials: 24 percent of housing insecure households have a high school diploma and another 24 percent have no high school degree.^{xi}

HOUSING SUPPLY

Several factors constrain the supply of affordable housing within Chattanooga. The City lacks rental units affordable to extremely and very low-income households (those making less than \$19,842). More than one-third of rental units affordable for low-income households within Chattanooga are being occupied by higher income households. The Chattanooga Housing Authority, which historically serves extremely low-income households, may soon take units offline due to unmet capital need. More than 2,100 subsidized or “income-restricted” units are at-risk of expiring and converting to market-rate housing by 2030. Together, these dynamics suggest a need to increase the supply of affordable housing, as well as preserve existing affordable housing, accounting for additional factors such as age and type of the current housing stock and market pressure in areas experiencing building activity.

Affordable housing supply. In reviewing the housing gaps analysis, Chattanooga appears to have an oversupply of rental units affordable for low-income households (see Figure 3). These households make \$11,905 or less and as much as \$31,764 annually and can afford monthly rents between \$298 and \$794 without cost-burdens.^{xii}

However, the City lacks enough units for extremely and very low-income renters—those households making at or below 0–50 percent of area median income. Units for households with lower incomes often require support services or deeper subsidies or cross-subsidizing, which requires sophisticated expertise to finance and develop. Historically, cities have relied on public housing authorities to serve extremely and very low-income residents. In Chattanooga, this is the case at the Housing Authority of the City of Chattanooga, where the average household income is about \$9,000.^{xiii}

The supply of affordable rental units is further constrained by a mismatch between who can afford these units and who actually occupies them. Even though Chattanooga has more units affordable to low-income renters, especially those making 51–80 percent of area median income, 32 percent of these units are occupied by a household at a higher income level, putting additional pressure on the supply of affordable units for low-income households.

The supply of Chattanooga’s affordable units could shrink with the loss of subsidized or “income restricted” units. These units have provisions to keep them affordable for 5–30 years, depending on the subsidy. Within Chattanooga, 2,108 federally subsidized units are at-risk of expiring by 2030, with a majority expirations occurring between 2016 and 2025.^{xiv}

Age & housing types. The existing housing stock in Chattanooga tends to be older, single-family or midrise to large-scale multifamily property. Older properties tend be “income-affordable” housing, meaning they command lower rents because of their age and provide housing to different income levels in the market, often without rental assistance. As the City considers new policies and strategies, it should account for these unique characteristics.

Sixty-six percent of the City’s housing stock is single-family attached or detached housing, followed by mid-rise or larger scale multifamily properties (16 percent).^{xv} Together, these products make up more than 80 percent of Chattanooga’s existing housing stock. More than one-half of the City’s housing stock is more than 35 years old, which poses challenges in terms of maintenance and could displace residents, either voluntarily or involuntarily.^{xvi} Voluntary displacement could occur if property owners pass along the cost of repairs or frequent maintenance to renters or if poor maintenance contributes to higher utilities, forcing residents to seek more affordable alternatives. Involuntary displacement could occur if properties are not well-maintained and exit the housing supply altogether.

In both cases, displacement could destabilize neighborhoods and increase the cost of housing for residents within Chattanooga. Because much of the City’s existing stock is single-family, the typical rental property owner may not have access to capital to make necessary repairs to avoid this.

Market activity. Market activity can accelerate displacement and conversions of income-restricted housing to market-rate housing as subsidies expire. In particular, local stakeholders shared concerns about market pressure threatening affordability in Chattanooga’s established or stable neighborhoods, citing anecdotal evidence about the cost of utilities exceeding rent, loss of “income-affordable” housing, and investors buying out long-time homeowners. In large part, the data analysis supports these anecdotes. By number of permits, the neighborhoods of St. Elmo, Northside/Cherokee, and Highland Park have experienced the most residential building activity since 2010. The neighborhoods of Northside/Cherokee, Missionary Ridge, and Jefferson Heights have experienced the highest total investment over the same time period.^{xvii}

LIMITED ACCESS TO OPPORTUNITY

Integrating elements of opportunity, namely transit access and coverage and public safety, demonstrates how cross-sector connections are critical to comprehensively addressing affordable housing needs and preserving existing affordable housing investments. HUD’s 2015 fair housing rule, which embraces a balanced approach between place-based capital investments in low-income communities and strategies promoting mobility, further underscores the importance of a comprehensive, cross-sector approach to affordable housing work, particularly in racially/ethnically concentrated areas of poverty (R/ECAP) like Avondale, Alton Park, and East Lake (see Map 8). Our analysis focused on two populations: 1) housing insecure individuals and families who are in need of stable housing; and 2) households already receiving rental assistance (“assisted households”). In general, both groups live in areas with limited access to high-frequency transit. Assisted households tend to live in unsafe areas relative to the rest of the City and housing insecure households. This relationship between existing affordable housing and limited high frequency transit and the concentration of assisted housing in less safe areas of the City effectively reduces the opportunities for these households, relative to other households in the City.

Transit access and coverage. An important component of opportunity is whether residents can get to their daily activities conveniently—especially if they are transit-dependent or would prefer to commute by transit to reduce their household costs. Across CARTA’s system, higher frequency service (headways of 15 minutes or less) is offered primarily in and around Downtown Chattanooga, currently serving a total of 380 assisted or housing insecure households.^{xviii} Outside of Downtown Chattanooga, transit frequency is more likely to be about 60 minutes or more on average (see Map 3).

Transit coverage of Route 4—measured by the number of assisted and housing insecure households living within one-quarter mile of Route 4—mirrors trends related to service system wide.^{xix} The highest

coverage for assisted households (26 percent) is in Downtown Chattanooga, which is also the area of the City with the highest frequency of service by stop for both assisted and housing insecure households. For housing insecure households, the highest coverage is in neighborhoods like Orchard Knob (21 percent) followed by Downtown Chattanooga and South Brainerd and Brainerd Park (both 18 percent).^{xx}

Outside of the downtown area, other households' proximity to Route 4's high-frequency service is limited. The share of households living within one-quarter mile of Route 4 ranges from less than 1 to 23 percent for assisted households and less than 1 to 17 percent for housing insecure households. Maps 4a and 4b and Maps 5a and 5b compare transit coverage for most CARTA routes and coverage for Route 4 for assisted and housing insecure households, respectively.

Public safety. In terms of public safety, measured as incidence of violent crime per 100 persons, assisted households tend to live unsafe areas relative to housing insecure households and the rest of the City.^{xxi} The areas within Chattanooga with the highest concentrations of assisted households, like Alton Park/Piney Woods and East Lake, have violent crime rates of 11 or 12 incidents per 100 persons.^{xxii}

In general, housing insecure households tend to live in safer areas. Areas like Highland Park that have the highest concentration of housing insecure renters (46 percent) has a violent crime rate of 9 incidents per 100 persons. Areas with the next highest concentrations of housing insecure renters (41–44 percent) have a low rate: 1 per 100 persons.^{xxiii} Maps 6 and 7 show the incidence of violent crime throughout the City in relation to where assisted and housing insecure households live.

Fair housing. HUD's July 2015 rule on Affirmatively Furthering Fair Housing, or AFFH, further underscores the need for municipalities receiving federal block grant funds to identify opportunities for cross-sector connections in deciding where to site new or preserve existing affordable housing.^{xxiv} This fair housing rule embraces a "balanced approach" between place-based capital investments in low-income communities and strategies promoting mobility that allow low-income households to gain access to safe neighborhoods and high-performing schools.

It also focuses on addressing disparities among different racial and ethnic groups, using its online mapping tool to highlight racially/ethnically concentrated areas of poverty (R/ECAP) in accordance with AFFH. As Map 8 shows, areas like Avondale, Alton Park, and East Lake have more African American households than the rest of the City, and these areas fall within the HUD-designated R/ECAP area. This designation suggests a need for a more comprehensive approach to neighborhood revitalization if the City and CHA plan to use federal funding in this area.

LOCAL BARRIERS AND ASSETS

Today, the City has too few policy tools and financing mechanisms to begin to effectively address these challenges in a meaningful way—although recent programs and initiatives are cultivating new ideas and resources to address this gap. Perhaps most notably, the City lacks a common vision to help leverage existing assets and guide development of new policies and resources.

Conversations with City staff and affordable housing stakeholders yielded several observations that underscore the city's need to further define its affordable housing-related goals and expand its existing approach to incorporate additional tools and resources. These conversations also highlighted existing work that could be further leveraged to advance affordable housing development within Chattanooga. Key observations related to local barriers and assets were as follows:

1. Lack of consensus on an overall vision and goals for affordable housing, key priorities, and target populations
2. Limited local capacity and financing mechanisms
3. “Missing middle” housing initiatives
4. Chattanooga Land Bank Authority
5. Housing PILOT program

LOCAL BARRIERS

What is hindering our progress?

Lack of consensus. During the NRN team’s initial visit, City staff and local affordable housing partners articulated different definitions of “affordable housing,” including the differences between affordable and income restricted housing, target populations and geographies, strategies, and needs among residents. In short, stakeholders, while committed to addressing affordable housing needs, lacked consensus about the overarching outcomes of their collective work. A lack of overall vision and cohesion among stakeholders can lead to transactional or output-driven activities, rather than transformational or outcome-driven strategies.

This conclusion was reinforced by the NRN team’s review of existing planning documents, related studies, programs, and initiatives, which aimed to ascertain the City’s overall direction for its affordable housing work. While many of its reports, studies, and plans reference affordable housing, none articulated a clear affordable housing vision or strategy to guide programming and funding. Addressing this barrier is critical to leveraging and advancing affordable housing strategies in Chattanooga, as many stakeholders and partners look to the City for guidance, strategic direction, and resources related to affordable housing.

Limited local capacity and financing mechanisms. Several City staff and key stakeholders noted the growing costs in developing housing, the lack of affordable housing developer capacity, and limited financing mechanisms to incentivize or subsidize affordable housing development. The primary subsidies available to ECD are the Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME), approximately \$1.6 million and \$665,000 annually, respectively.

The lack of alternative or additional financing mechanisms limits the City’s ability to leverage its existing resources in ways to better respond to housing need among residents and assist developers. For instance, with limited financing mechanisms, it will be challenging for the City to simultaneously produce more affordable housing options and preserve existing affordable units.

LOCAL ASSETS

What are we doing to address the needs?

Missing Middle housing initiatives. As discussed above, Chattanooga’s housing stock is primarily single-family homes or mid-rise or large-scale apartment buildings, with limited options for smaller-scale housing types.

The City’s recent adoption of a form-based code, too, provides an opportunity to diversify the City’s housing stock, meet growing demand for walkable, urban living, and ease overall development and housing costs. This new set of regulations expands the range of housing types that can be built without

special approval (or “by-right”) as long as they meet the site and building design elements outlined within the code. This code applies to areas throughout Chattanooga, such as Downtown Chattanooga and some adjacent areas, which NRN’s analysis suggests are experiencing a range of needs, notably higher rates of cost-burdened households. The code also enables building smaller units as part of single-family homes (or “accessory dwelling units”) in some areas covered by the form-based code, namely the Urban and Urban Edge Context Zones.

The City is already exploring how to develop “missing middle” housing—products such as duplexes, fourplexes, mansion apartments, and bungalows that are neither single-family houses nor midrise or large apartment buildings—through two complementary efforts. Led separately by the Chattanooga Neighborhood Enterprise (CNE) and the Incremental Housing Alliance and Center for Transect Studies, these efforts aim to develop prototypes of “missing middle” housing types and train developers on small-scale development. Early conversations for piloting this work have focused on areas in Chattanooga experiencing high rates of cost-burdened renters, such as Highland Park, and those with several CHA properties that are also classified as a racially/ethnically concentrated area of poverty (R/ECAP) under HUD’s 2015 fair housing rule (AFFH), such as Avondale, Alton Park, and East Lake.

Chattanooga Land Bank Authority. The land bank’s primary objective is to return blighted properties back to the market for affordable housing, public spaces, and industrial use. As the disposition agent for the City, the land bank can play a pivotal role in ensuring access to opportunity in the redevelopment of acquired sites. Although the land bank will not have powers of eminent domain or taxation, it can be the catalyst to secure land for affordable housing and remove blight. Land Banks and community land trusts (CLTs) often work closely to ensure the long-term affordability of land-banked residential properties. The land bank could leverage brownfield sites and targeted code enforcement activities to secure blighted properties owned by absentee landlords and to rehabilitate and secure these properties as affordable housing in partnership with a CLT.

Housing PILOT Program. The City’s previous Housing PILOT Program focused exclusively on the downtown, North Shore, and Southside areas, as a means to spur economic development. The prior program required developers to include at least 20 percent affordable units in residential development projects. Recent changes to the City’s Housing PILOT Program expand its reach to encompass the entire city and require a minimum of 50 percent affordable units. These new provisions create an opportunity for more mixed-income developments, especially in areas in need of stabilization or revitalization. If this program evaluated potential projects in terms of access to opportunity, this provision could help facilitate linkages with workforce development programs and other sectors’ initiatives.

Stronger Neighborhoods Framework. The City’s recent efforts to develop a framework to evaluate strategies are a good first step towards aligning strategy with neighborhood conditions, while incorporating roles for various partners. In particular, the *Stronger Neighborhoods* framework provides a good foundation to implement the *Communities of Opportunity Strategy Roadmap*, developed by the NRN team, which could help align performance measures around access to opportunity.

OPPORTUNITIES

What could we be doing?

In addition to leveraging its existing programs and resources, Chattanooga could pursue new or more flexible financing tools, like an Affordable Housing Trust or Neighborhood Revitalization Strategy Area

designation, or new ways to use land, like through a community land trust or brownfield redevelopment strategy. This section highlights a selection of real-world examples that are relevant to Chattanooga's existing challenges. These examples include both local applicability and how other communities have used similar tools in their affordable housing work. Appendix D provides a more detailed overview of similar approaches implemented by other cities that Chattanooga could undertake.

Consider a Community Land Trust Model. Community land trusts (CLTs) are effective models for ensuring long-term or permanent affordability of for-sale housing. Under the CLT model, the CLT maintains a long-term lease on the land associated with a home, while the buyer purchases the structure at an affordable price. Affordability is achieved by removing the land cost from the purchase price and, in many cases, by the use of additional subsidy to lower the price of the actual building. In return for these subsidies, the homeowner agrees to sell the home at a resale-restricted affordable price to another lower income homebuyer in the future. CLT homeowners still build equity in their original purchase and benefit from a share of the appreciation, which increases the amount of subsidy available to the next purchaser, ensuring lasting affordability. CLTs are particularly effective models for rapidly appreciating communities facing the prospect of a significant loss of affordability.

Develop an Affordable Housing Trust. As part of the *Chattanooga Forward* initiative, the City's Housing Task Force recommended developing an affordable housing trust (AHT) to provide financing to public, private, or non-profit housing providers at a discount in return for incorporating affordable housing into development projects. The City has not developed or implemented the AHT, but there is a growing need for alternative financing mechanisms to subsidize affordable housing development in Chattanooga. A key component of a functioning AHT is a dedicated funding source. While cities have created dedicated funding sources in a variety of ways, a typical mechanism originates from a percentage increase to a local tax (e.g., insurance, car, hotel, etc.). The recommendation from the Housing Task Force provides an opportunity to capitalize an AHT and provide a dedicated funding source to support the City's strategies moving forward.

Strategy Spotlight

Durham, North Carolina established a local affordable housing trust through the passing of a penny tax, which raised the tax rate by one cent on to fund affordable housing. Today, the "penny tax" raises approximately \$2.5 million annually that is specifically for addressing affordable housing needs. In recent years, the penny tax has provided roughly \$130,000 annually for repairs to the homes of poor elderly homeowners so they can stay in their homes. The penny has also been a key part of the revitalization of the City's Southside neighborhood. In the last two years, the penny has provided about \$2.7 million for mortgage assistance, site preparation and infrastructure work for the 48 affordable for-sale homes in Southside.

Develop a Neighborhood Revitalization Strategy Area (NRSA) or Local Target Areas. Given the City's limited funding, the existing CDBG target areas are too broad. To narrow down, ECD could develop a neighborhood revitalization strategy area (NRSA) and create programs that align with the proposed opportunity typology. An NRSA supports mixed-income and small-business development by providing greater flexibility than is normally granted under CDBG regulations. By targeting resources in an NRSA or locally defined target area, the City can demonstrate a cross-sector strategy that increases access to opportunity, and then expand that strategy to other areas throughout the City.

Develop a Brownfield Strategy. According to the U.S. Environmental Protection Agency (EPA), Chattanooga has approximately 51 brownfields cleanup activities underway throughout the City (See Map 9). Due to the known contaminants and unknown cost of remediation, developers tend to stay away from brownfield projects. However, these sites can be transformed into assets if properly leveraged. The City recently received \$400,000 from the EPA to clean up the Christian School and Standard Coosa Thatcher Mill sites. These brownfield sites and others throughout the City provide an opportunity to revitalize distressed neighborhoods and corridors, improve public health, encourage innovation, and boost local job opportunities. These sites may be opportunities for the recently formed Land Bank Authority to acquire, in order to secure affordable housing opportunities as they are redeveloped.

Additionally, financing mechanisms like New Market Tax Credits (NMTC), Section 108 funds, and Property Assessed Clean Energy (PACE) may provide the necessary financing to incentivize developers to redevelop brownfield sites.

Strategy Spotlight

Cincinnati, Ohio Port of Greater Cincinnati Development Authority is issuing \$6.8 million in TIF bonds, which are paying for the construction of new and improved street infrastructure and storm and sanitary sewers. Additional financing support for the project is in the form of a special assessment, a tool that applies an additional tax assessment for a specified purpose, a grant for \$2.9 million from the adjacent TIF district, and \$3.3 million in Clean Ohio funds from the state. The project's use of TIF has been successful in stimulating investment: A large Kroger Marketplace is expected to open in 2015 and serve as a retail anchor for the development. Federal and state tax credits, which are designed to encourage private investment into projects that advance specific public benefits, have also proven effective in stimulating investment for this brownfields project.

Create a Revolving Loan Fund using Code Enforcement Revenue. Depending on the amount of revenue generated through the City's code enforcement efforts, there may be an opportunity to leverage that revenue to capitalize a loan pool that would support targeted neighborhood revitalization efforts. This could be accomplished in conjunction with an NRSA or local target area designation, similar to the City's recent efforts in the Avondale neighborhood. Code enforcement efforts could precede other revitalization efforts and target substandard properties.

ESTABLISHING A FRAMEWORK

How do we move forward?



Together, the City's existing conditions related to housing needs, supply, and opportunity, as well as the existing local barriers and assets in undertaking affordable housing work, demonstrate affordable housing is not an isolated social challenge. Lack of affordable and safe housing impacts households in several ways: health and safety, education, transportation, and economic mobility.

Thus, strategies focused on the development or preservation of affordable housing alone will not reverse the trends of housing insecurity, poverty, and unemployment, nor the many other effects of limited access to opportunity.

As part of this engagement, Enterprise Community Partners introduced the ***Communities of Opportunity Index*** to City staff and stakeholders as a potential framework and tool to evaluate local needs and conditions across multiple sectors.

The five dimensions of the *Communities of Opportunity Index* are Resident Housing Security; Housing Market Conditions; Resident Economic Mobility and Inclusion; Resident Connections to Transit, Infrastructure and Environment; and Resident Health and Wellness. The following summarizes each dimension of the index:



Resident Housing Security – Examines the extent to which residents at each income level are experiencing acute housing instability and to what extent particularly vulnerable populations are experiencing housing challenges in place.



Housing Market Conditions – Examines the extent to which housing in this community is affordable, well-designed and sustainable, and available to residents at all income levels.



Resident Health and Wellness – Examines the extent to which residents are experiencing acute health challenges; have access to healthy environments and health care; are actively engaged in the civic and social life of their communities; and experience the area as a safe place.



Resident Economic Mobility – Examines the extent to which residents have access to credit and capital; access to education and income; and live in mixed-income and racially diverse places.



Resident Connection to Transit, Infrastructure and Environment – Examines the extent to which residents are connected to key resources in the community; have access to neighborhood infrastructure; and live in environmentally safe places.

Using this framework, the project team developed a roadmap that aligns place-based and cross-sector strategies, related financing, policies, and partnerships toward a common vision. Section 3 incorporates workforce development and affordable housing assets, opportunities, and strategies into the roadmap framework to establish linkages between these two sectors.

SECTION 2 – WORKFORCE DEVELOPMENT IN CHATTANOOGA

The strong economy in Chattanooga offers great opportunity, but Chattanooga's hard-to-house and hard-to-employ residents could be left behind without a concerted effort to address the barriers that stand in the way of their economic success.

EXISTING CONDITIONS

What does the data say?

Chattanooga and surrounding Hamilton County are experiencing tremendous job growth that is projected to continue. According to Chattanooga 2.0's report "Building the Smartest Community in the South," the region will add 10,000 new jobs over the next few years. While Chattanooga 2.0 and the labor market data in this section refer to Hamilton County as a whole, most of the jobs in the county are

in the City of Chattanooga. Notably, 80 percent of the jobs that pay \$35,000 or more require some post-secondary credential.^{xxv} In this high-skill economy, many Chattanooga residents are at a particular disadvantage.

As mentioned previously, only 33 percent of Chattanooga residents age 25 and above have an associate's degree or higher. For 29 percent of residents, a high school diploma is their highest level of education. In addition, the disparities between Whites and Black residents are striking. Forty-three percent of White Chattanooga residents have an associate's degree or higher, while this is true for only 15 percent of Black Chattanooga residents—a group that represents almost three-quarters of the City's non-White population. In addition, 39 percent of Black Chattanooga residents have a high school diploma or equivalent as their highest level of education (compared to 29 percent for Chattanooga residents as a whole).^{xxvi}

These disparities in educational attainment are reflected in income and employment. While the City's unemployment rate was 9 percent in 2015, unemployment was 16 percent for Black residents. In addition, while a significant number of Black residents are employed, their median income in 2015 (\$26,948) was far lower than the City's median income (\$40,004). Black Chattanooga residents are also disproportionately likely to live in poverty. An estimated 22 percent of Chattanooga residents live below the poverty line,^{xxvii} an increase of 4 percent between 2010 and 2015,^{xxviii} but 26 percent of Black residents live below the poverty line. These statistics underscore that not all Chattanooga residents are benefiting from its economic revival, which suggests a targeted effort is needed to boost the skills and earnings of these residents.

Currently, a majority of the City's low-income residents work in areas such as accommodation and food services; retail trade; and administrative and support services. Typically, these sectors offer lower wages and limited advancement opportunities for workers. The table below identifies the largest sectors by employment in Hamilton County.

Sector	Jobs in Sector	Share of Private Sector Employment	Current Wages
Health Care and Social Assistance	25,710	13.5%	\$49,941
Manufacturing	24,243	12.7%	\$59,912
Accommodation and Food Services	20,286	10.6%	\$17,087
Retail Trade	20,080	10.5%	\$30,208
Administrative and Support and Waste Management and Remediation Services	16,035	8.4%	\$28,317
Transportation and Warehousing	14,377	7.5%	\$43,127
Other Services (except Public Administration)	11,714	6.1%	\$27,595
Construction	11,489	6.0%	\$52,837
Finance and Insurance	10,084	5.3%	\$71,435

A workforce development strategy focused on boosting skills and employment opportunities will help ensure that the lowest income Chattanooga residents can benefit from the area's growing economy. This discussion focuses on how to capitalize on the projected job growth in health care and manufacturing sectors over the next five years. These sectors could offer living-wage job opportunities for candidates with less than a bachelor's degree. As organizations undertake efforts to build skills for higher-paying jobs in these growing sectors, they will need to account for occupation-specific barriers, such as unusual schedules, of the large share of workers in service-industry jobs.

The Health Care Industry

Health care is the largest and fastest-growing private sector in Hamilton County. There are 25,710 jobs—13.5 percent of Hamilton County’s private-sector employment—and roughly two-thirds of these jobs are concentrated in occupations that typically require less than a bachelor’s degree. As a whole, health care employment in Hamilton County is anticipated to grow 12.7 percent between 2016 and 2021, exceeding Tennessee (11.7 percent) and the nation (10.9 percent). This growth, in tandem with impending retirements, creates tremendous opportunity for Chattanoogaans to fill the many living-wage job openings in this sector.

Major health care employers in the Chattanooga area include Erlanger Health System (4,384 full-time employees (FTE)), CHI Memorial (2,602 FTE), and Parkridge Medical Center, Inc. (1,310 FTE).^{xxix} Employer demand is projected to be especially strong in ambulatory health care services, a health care subsector that includes offices of physicians, dentists, and home health care services. The distribution of jobs, wages, and projected job growth in each of health care’s four subsectors is shown below.

Subsector	Jobs in Sector	2016–2021 Change	Current Wages
Ambulatory Health Care Services	13,706	1,959	\$61,418
Hospitals	4,534	574	\$53,280
Nursing and Residential Care Facilities	3,964	325	\$31,534
Social Assistance	3,505	397	\$21,562

Jobs that typically require less than a bachelor’s degree account for the majority of projected openings in the health care sector. Registered nurses are in particularly high demand. While employers across the nation increasingly prefer registered nurses with bachelor’s degrees, 70 percent of job postings for registered nurses that specified an education level in Chattanooga over the past 12 months were looking for an associate’s degree.^{xxx} Projections are also strong for middle-skill occupations such as licensed practical and licensed vocational nurses and physical therapy assistants.

The greatest area of opportunity lies in entry-level occupations that are critical to the sector but that often pay low wages, including medical assistants, nursing assistants, and home health aides. These positions provide an entry point to the industry, but advancement to higher-paying positions is often elusive without clear opportunities for additional training clearly articulated in career ladders. The top 10 sub-bachelor’s degree health care occupations (by annual openings^{xxxi}) are shown below.

Occupation	2016 Jobs	Median Hourly Earnings	Annual Openings (2016–2021)
Registered Nurses	4,859	\$27.14	200
Medical Assistants	1,998	\$13.98	84
Nursing Assistants	1,777	\$11.04	68
Licensed Practical and Licensed Vocational Nurses	1,259	\$17.31	54
Medical Secretaries	810	\$14.22	30
Home Health Aides	185	\$10.10	26
Physical Therapist Assistants	346	\$26.11	21
Emergency Medical Technicians and Paramedics	341	\$14.56	19
Medical Records and Health Information Technicians	488	\$15.33	18
Medical and Clinical Laboratory Technicians	447	\$15.43	17

Based on occupational demand for health care employees in Hamilton County, the following chart illustrates what a career ladder, beginning with entry-level positions and demonstrating what avenues for advancement might look like.

	Occupation	Jobs in Sector	Median Hourly Earnings	Tasks
High-Skill	Registered Nurses	2,933	\$27.14	<ul style="list-style-type: none"> Consult and coordinate with health care team members to plan, implement, or evaluate patient care plans Administer medications to patients and monitor patients for reactions
	Dental Hygienists	366	\$31.32	<ul style="list-style-type: none"> Clean teeth and gums using dental instruments Provide health education to improve the oral health of patients
Middle-Skill	Licensed Practical and Licensed Vocational Nurses	925	\$17.31	<ul style="list-style-type: none"> Administer prescribed medications or start intravenous fluids Provide basic patient care, such as taking temperature or blood pressures
	Dental Assistants	364	\$16.40	<ul style="list-style-type: none"> Take and record medical and dental histories Assist dentist during dental procedures
Entry Level	Medical Assistants	1,799	\$13.98	<ul style="list-style-type: none"> Interview patients to obtain medical information Record patients' medical history
	Nursing Assistants	1,410	\$11.04	<ul style="list-style-type: none"> Answer patient call signals to determine patient needs Provide physical support to assist patients

The Manufacturing Industry

Manufacturing is the second-largest private sector in Hamilton County and most important to the county economy, accounting for 16 percent of gross regional product. There are 24,243 jobs—12.7 percent of Hamilton County's private-sector employment—and about 83 percent of these jobs are concentrated in occupations that typically require less than a bachelor's degree. As a whole, manufacturing employment in Hamilton County is anticipated to decline 4.2 percent between 2016 and 2021, slower than Tennessee (–6 percent) and faster than the nation (–2.8 percent). However, the number of jobs in the sector, combined with factors such as retirements, career changes, and relocations, ensure continuing availability of entry-level and middle-skill job openings in manufacturing.

Major manufacturing employers in the Chattanooga area include McKee Foods Corporation (2,700 FTE), Roper Corporation (1,800 FTE), and Astec Industries, Inc. (1,318 FTE). Manufacturing is made up of a number of sub-sectors, including manufacturers of durable goods (including transportation equipment, fabricated metal products, and machinery manufacturing being the largest sub-sectors) and nondurable goods (including food, chemical, and paper manufacturers). Employer demand is projected to be particularly strong in transportation equipment manufacturing, with forecasts predicting a 20 percent

increase over the next five years. The distribution of jobs, wages, and projected job growth in the county's largest manufacturing subsectors is shown below.

Subsector	Jobs in Sector	2016–2021 Change	Current Wages
Food Manufacturing	4,751	(437)	\$46,311
Transportation Equipment Manufacturing	3,624	725	\$71,554
Fabricated Metal Product Manufacturing	2,984	36	\$64,663
Machinery Manufacturing	2,837	(37)	\$67,415
Chemical Manufacturing	2,052	(289)	\$83,155
Printing and Related Support Activities	1,390	(343)	\$47,615
Nonmetallic Mineral Product Manufacturing	1,227	3	\$60,943
Paper Manufacturing	1,203	(105)	\$59,457
Plastics and Rubber Products Manufacturing	1,073	(9)	\$48,281

As in health care, jobs that typically require less than a bachelor's degree account for a majority of projected openings in the manufacturing sector. Team assembler, an entry-level production occupation that represents 11.6 percent of manufacturing jobs in Hamilton County, continues to be in high demand. Projections are also strong for middle-skill stalwarts such as machinists and welders. Also, like health care, entry-level occupations are critical to the sector but often pay below a living wage. In addition to assemblers, these include production helpers and machine operators. The top 10 sub-bachelor's degree manufacturing occupations (by annual openings) are shown below.

Occupation	2016 Job	Median Hourly Earnings	Annual Openings (2016–2021)
Team Assemblers	3,396	\$13.31	137
Machinists	639	\$17.28	29
Welders, Cutters, Solderers, and Brazers	808	\$18.58	28
Industrial Machinery Mechanics	710	\$25.87	28
Packaging and Filling Machine Operators and Tenders	674	\$11.48	23
Helpers—Production Workers	574	\$11.28	18
Inspectors, Testers, Sorters, Samplers, and Weighers	595	\$15.78	16
Assemblers and Fabricators, All Other	437	\$12.45	14
First-Line Supervisors of Production and Operating Workers	885	\$23.20	14
Meat, Poultry, and Fish Cutters and Trimmers	491	\$10.41	10

In addition to the above occupations, industrial maintenance workers (which are typically coded as general maintenance workers) as well as logistics and distribution occupations such as material handlers and light truck drivers are commonly employed by manufacturing companies. However, a small share of these jobs are in the manufacturing sector. Anecdotally, a local industry association representative interviewed for this report indicated high employer demand for welding, industrial maintenance, and mechatronics workers.

Based on occupational demand in Hamilton County, the chart below illustrates what a career ladder, beginning with entry-level positions and demonstrating what avenues for advancement might look like.

	Occupation	Jobs in Sector	Median Hourly Earnings	Tasks
High-Skill	First-Line Supervisors of Production and Operating Workers	719	\$23.20	<ul style="list-style-type: none"> Direct and coordinate the activities of employees Ensure that operators conform to production standards
	Industrial Machinery Mechanics	433	\$25.87	<ul style="list-style-type: none"> Repair and maintain machinery and equipment Observe and test the operation of machinery to diagnose malfunctions
Middle-Skill	Welders, Cutters, Solderers, and Brazers	577	\$18.58	<ul style="list-style-type: none"> Weld components Examine workpieces for defects and measure workpieces for conformance with specifications
	Machinists	506	\$17.28	<ul style="list-style-type: none"> Machine parts to specifications Calculate dimensions or tolerances
	Maintenance and Repair Workers, General	407	\$17.31	<ul style="list-style-type: none"> Perform routine maintenance Diagnose mechanical problems and determine how to correct them
Entry Level	Team Assemblers	2,814	\$13.31	<ul style="list-style-type: none"> Operate machinery and heavy equipment Rotate through all the tasks required in a particular production process

Hamilton County Schools, working with Chattanooga State Community College and area employers, have developed career ladders in manufacturing and information technology. These ladders illustrate for students opportunities and requisite training for each occupation in a specific pathway, such as welding. The full collection of career ladders can be found at www.hamiltontn.gov/Pathways/Default.aspx.

Opportunity in Other Occupational Areas

While the health care and manufacturing sectors represent the highest concentration of sub-bachelor's degree jobs offering living wages, there are additional high-demand occupations concentrated outside these sectors. The chart below shows the middle-skill occupations largely concentrated outside manufacturing and health care with the most projected openings over the next five years.

Middle-Skill Occupation	2016 Jobs	Median Hourly Earnings	Annual Openings (2016–2021)
Heavy and Tractor-Trailer Truck Drivers	4,978	\$16.92	87
Maintenance and Repair Workers, General	2,343	\$17.31	67
First-Line Supervisors of Office and Administrative Support Workers	2,333	\$22.05	49
First-Line Supervisors of Retail Sales Workers	2,226	\$16.49	48
Electricians	1,171	\$21.31	37

CONTINUED FROM PREVIOUS PAGE

Middle-Skill Occupation	2016 Jobs	Median Hourly Earnings	Annual Openings (2016–2021)
Sales Representatives, Services, All Other	983	\$20.02	34
Police and Sheriff's Patrol Officers	850	\$18.38	32
Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products	1,478	\$26.48	31
Insurance Sales Agents	874	\$21.94	25
Bookkeeping, Accounting, and Auditing Clerks	2,538	\$16.26	24

The chart below reflects projected openings for entry-level workers, which are higher than that of middle-skill workers and generally concentrated in the Hamilton County's sectors that are large but pay low wages. These sectors include accommodation and food services, retail, and administrative and support services.

Entry-Level Occupation	2016 Job	Median Hourly Earnings	Annual Openings (2016–2021)
Waiters and Waitresses	4,265	\$9.57	243
Retail Salespersons	6,691	\$10.67	227
Customer Service Representatives	5,817	\$13.40	176
Cashiers	4,220	\$9.59	175
Combined Food Preparation and Serving Workers, Including Fast Food	5,417	\$9.48	173
Laborers and Freight, Stock, and Material Movers, Hand	5,439	\$12.05	158
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	3,463	\$10.31	127
Office Clerks, General	4,425	\$13.40	98
Stock Clerks and Order Fillers	2,287	\$10.94	97
Maids and Housekeeping Cleaners	2,520	\$9.65	89

LOCAL BARRIERS AND ASSETS

Low-income residents face a number of challenges that hinder their ability to gain the skills needed to obtain the middle-skill positions that provide living-wage employment. In addition to lower incomes, these residents tend to have lower levels of educational attainment and experience poverty at higher rates. As Chattanooga builds targeted strategies for these residents, it is critical to understand the nature of their challenges in order to develop tailored, effective workforce development strategies that can improve their well-being and ability to contribute to Chattanooga's economic growth.

LOCAL BARRIERS

What is hindering our progress?

The challenges, opportunities, and strategies described in this report are focused primarily on adults. While preparation for employment ideally begins in high school, or earlier, the focus for this report is on adults and older youth who are out of high school. Additionally, while a variety of stakeholders have focused on building pathways to college and careers from high school, there is considerably less attention paid to pathways for adults. However, adults need to be considered as an important talent

pool for growing workforce demands of employers in Chattanooga. Focusing solely on youth who are several years away from the workforce will not supply Chattanooga industry with the talent that it needs today. Some of the primary challenges faced by low-income residents include:

Lack of skills needed for living wage occupations. The educational attainment of low-income Chattanooga residents puts them at a severe labor market disadvantage. The previous discussion describes the increasing demand for workers with skills above a high school level. Currently, 29 percent of adults have a high school diploma as their highest level of credential and 17 percent have no high school credential, placing even entry-level employment out of reach for some.

In addition, stakeholders interviewed for this report describe a lack of employability, or "soft" skills among low-income Chattanooga residents that limit their success in the workplace. These skills included everything from lack of basic computer literacy, to knowledge of workplace expectations (like arriving on time and skills involving communication and teamwork) to issues of drug use.

Criminal records. Stakeholders working with the lowest-income Chattanooga residents cite criminal histories as a major barrier to employment for a significant portion of the low-income population. Employment practices that ban anyone with a criminal record without regard to level of offense or when it occurred leave many of these people with limited ability to support themselves or their families. This challenge is not unique to Chattanooga. Cities across the country are feeling the impact of changes in law enforcement practices and mandatory sentencing laws that began in the 1980s. As described in a report by the Urban Institute, "Increased involvement with the justice system tends to interfere with school completion and employment in a negative cascade." These negative consequences are particularly concentrated among poor and poorly educated Black men. Among male high school dropouts ages 20 to 40, the incarceration rate is 32.4 percent for Black men, compared with 6.0 percent for Hispanic men and 6.7 percent for White men.^{xxxii}

LOCAL ASSETS

What are we doing to address the needs?

Chattanooga is home to a wide array of organizations and civic leaders who are dedicated to improving the quality of life for City residents. Organizations that are contributing to the economic health of Chattanooga include social service agencies and community-based service providers committed to helping disadvantaged residents, educational institutions, and a host of others working to build the civic and economic infrastructure of the City. Many of these organizations have coalesced around Chattanooga 2.0 to organize strategies to build educational opportunity and economic success for Chattanooga residents, supported by a robust philanthropic community and engaged civic leadership. The list of assets described below captures the major organizations or organizational types that the stakeholders interviewed believe could play an important role in a community-wide effort to ensure that all Chattanooga residents benefit from the economic opportunities available in the City. Some but not all are already engaged in Chattanooga 2.0.

EDUCATION AND TECHNICAL TRAINING

Chattanooga State Community College (ChattState). ChattState is one of two public higher education institutions in the City offering a comprehensive array of degree and certificate programs. Under the leadership of a new president, ChattState administrators are instituting a variety of new programs and

supports to increase student retention and completion. These changes include reforming the system of developmental education, which provides remedial education to a large percentage of students who test below college level for reading and math upon entry. Reforms, like those newly implemented at ChattState, have been found at other colleges to increase the number of students who successfully complete college-level courses. In addition, ChattState has a wide array of certificate and degree programs that are aligned with labor market demand in key industries, including manufacturing and health care. Many of these programs have been developed with employer partners that offer apprenticeships and other opportunities for work-based learning. Finally, ChattState is engaged with some Chattanooga high schools offering the SAILS program to help students meet college-ready benchmarks; dual-enrollment programs; and career and technical education programs that offer college-level technical career courses.

Tennessee College of Applied Technology, Chattanooga (TCAT). TCAT is a significant asset that, with coordinated effort, could be used for greater benefit for low-income Chattanooga residents. TCAT offers a range of certificates and degrees in high-demand technical fields and boasts an 80 percent completion rate. Some stakeholders expressed concern that its schedule—six hours per day—posed barriers for low-income residents with work and family responsibilities. While research supports the high-intensity nature of the TCAT schedule and TCAT has established a schedule with the needs of working students in mind, continued close collaboration with service providers and other community-based organizations may result in expanded access for residents most in need.

Tennessee Promise and Tennessee Reconnect. These statewide initiatives are tremendous assets that can be used to help more graduating seniors and adults enroll in college. Tennessee Reconnect, which provides free tuition to adults enrolling in TCAT, could be leveraged more effectively if it is promoted widely in the community and offered in combination with services to support residents through the application and career planning process. Currently, Tennessee Reconnect community advisors are not located within Southeastern Tennessee, so potential students will need to seek assistance from the advising departments of individual postsecondary institutions.

Apprenticeship Programs and Other Training for the Trades. A number of training programs, including apprenticeship programs, offer access to the trades. Several offer college credit in collaboration with ChattState. These programs include a five-year electrician's apprenticeship program offered by the Chattanooga Electrical Joint Apprenticeship and Training Committee, a plumbing apprenticeship program offered by the Local 43 Pipefitters Union, and a program of the Chattanooga Iron Workers Local 704 Joint Apprenticeship and Training Committee. Impact 1 also offers training in construction.

Adult Basic Education. Many providers interviewed cited concern that access to the HiSET (formerly GED) preparation programs was limited and even more so recently, when the state of Tennessee discontinued its contract with ChattState and awarded it to TCAT Athens. Since that time, TCAT Athens has set up HiSET preparation and testing sites in locations around Chattanooga. Currently, HiSET prep classes are offered at the Northside Neighborhood House, Olivet Baptist Church, and Bethlehem Center. Sites for prep classes and HiSET exam include the Salvation Army East Lake, James A. Henry School, and Tennessee Career Center. Since the contract changed hands, the number of individuals in prep courses fell, and the TCAT Athens coordinator reports capacity exists for higher student enrollment.

OTHER SKILL-BUILDING AND EMPLOYMENT ASSISTANCE

Southeast Tennessee Development District and Tennessee Career Center. The Southeast Tennessee Development District (SETDD) is part of the public workforce development system overseen by the U.S. Department of Labor. It is charged with developing a strategic plan for workforce development in the region, planning for the use of federal job training funds, and overseeing the One-Stop Career Center, which is the Tennessee Career Center on Brainerd Road. The federal funds overseen by SETDD support training for unemployed and underemployed adults and youth who meet certain eligibility requirements. Through the Workforce Investment and Opportunity Act (WIOA), 75 percent of youth funding must be for out-of-school youth ages 16 to 24.

The Tennessee Career Center offers many resources for Chattanoogaans seeking employment, including assistance with job search and career counseling. Some residents may also be eligible for education and training vouchers. The Career Center also offers workshops and classes that include interviewing skills and computer literacy as well as WorkKeys, an online system by ACT to measure reading, math, and other basic skills for employment. Additionally, Career Center staff offer basic computer courses in the community in collaboration with Tech Goes Home.

Given its oversight of all federal workforce development funding, and its mandated role under WIOA, SETDD is a critical partner for the City to engage as it works with stakeholders to develop a strategic set of workforce development efforts focused on low-income Chattanoogaans. SETDD can help build partnerships with key employers and direct funding to fill gaps in the education and training offerings available in Chattanooga. In addition, the Career Center is an essential partner in service delivery and working more closely with community-based providers could help residents access more of their services.

Community-based providers. Many organizations in Chattanooga offer assistance preparing for and finding employment and a selection are listed below. Many community-based organizations work with employers to place individuals in entry-level positions. The chart below indicates the organizations that were most often discussed by stakeholders and/or where staff were interviewed and noteworthy aspects of their services. Each of these organizations offers a unique set of resources and specializations that could contribute to a coordinated effort to build skills and careers for more Chattanoogaans.

Working together and with employers and technical training providers, these organizations could support the creation of more visible pathways that lead to advancement beyond entry level positions, play a crucial role in recruiting participants to education and training programs, and help support their success in those programs.

Organization	Noteworthy Services and Resources
Tech Goes Home	Provides digital literacy classes at locations citywide. Staff are able to tailor courses to the needs of the group and work with other organizations to offer specialized programming.
The Company Lab (CO.LAB)	Offers support for entrepreneurs through its LAUNCH program and can facilitate work-based learning opportunities for those interested in the tech sector. They are also seeking funding for a coding boot camp.

Goodwill	Has experience with supported/transitional work model for employment skill building. They have provided services to multiple populations, including persons with low skill levels, persons with criminal records, and individuals with disabilities.
Youth and Family Development Centers	Offers after-school programming for students and career development training for adults at 18 locations around the City. Their breadth and reach create great opportunity for recruitment into technical training programs and collaborative efforts to provide wrap-around supports and information to community residents.
Chattanooga Housing Authority	Offers job-readiness and soft-skill training. As a major property holders in areas of higher need, they have unique access to residents and avenues to offer services and information in collaboration with other organizations.
Building Stable Lives, United Way Chattanooga	Partners with neighborhood service providers in areas of higher need to offer individual coaching, computer access, job listings, resume and interviewing assistance, referral to education, and support finding housing. Provides one-time grants to meet emergency needs such as utility and rent payments, food needs, and many other emergency costs.
Hope for the Inner City	Provides soft-skills training, financial literacy, computer literacy, job placements for persons who are hard to serve, with particular niche serving those who may be involved in gang activity or have criminal backgrounds.
Father to the Fatherless	Offers adult male mentorship for young adult males, career development, financial literacy, case management, and mental health counseling.
Urban League	Operates the DOL-funded Youth Empowerment Program for youth referred by the court system. Offers career-readiness support and assistance with employment.
The Bethlehem Center	Offers HiSET classes, career-readiness support, assistance with housing, and other social services.

CIVIC, PHILANTHROPIC, AND FAITH-BASED ORGANIZATIONS

Chattanooga 2.0. This broad community initiative has coalesced community support and built considerable momentum around key strategies that would strengthen workforce development in Chattanooga.

Philanthropies. A few Chattanooga foundations and philanthropies focus efforts on Chattanooga's economic well-being, including the Benwood Foundation, a founder and leading voice in Chattanooga 2.0, and Public Education Foundation, which has also been highly engaged in that effort. The Public Education Foundation's Summer Jobs Program is an important program to provide young people with experience and exposure to the workplace. It presents a model that could be scaled and adapted to older, out-of-school youth and others.

Faith-based organizations. Churches and other faith-based organizations are an important part of a workforce development strategy, as key institutions to conduct outreach, educate the community about opportunities, and support residents in their aspirations. Several stakeholders also mentioned that many churches house computer labs that could be used more strategically to offer training and other services in the target communities.

INDUSTRY ORGANIZATIONS AND EMPLOYER LIAISONS

The Chattanooga Chamber of Commerce. The Chamber represents a critical partner for the City as it works toward a coherent, strategic workforce development plan. The Chamber has the potential to serve as an important liaison to employers and convener of key players that can develop strong pipelines of talent for industry. In order for those liaison efforts to benefit Chattanoogaans with the greatest need for upskilling and employment, the Chamber's strategies must go beyond holding job fairs to work more closely with community-based providers which are helping residents become job ready through development of employability, job search, and interviewing skills.

Other Industry Associations and Liaisons. Several other organizations represent and engage employers in workforce planning. They include the Tennessee Association of Manufacturers, which serves as a liaison between multiple employers and school-based career and technical education programs, and Auto Workforce Development Task Force, a newly formed task force established by the Mayor's Office. The Minority Business Task Force, another group convened by the City, offers a variety of training and support for new business owners. These organizations are critical players in a coordinated strategy for workforce development.

The Enterprise Center. This organization is charged with managing efforts to build the Innovation District in Chattanooga. Importantly, they are also leading efforts to reach Chattanoogaans that are not among the City's new IT entrepreneurs. Tech Goes Home is one of their initiatives, which provides computer literacy courses citywide that can be adapted to the needs of specific cohorts of students (e.g., young people seeking employment and low-wage workers seeking advancement) and partnering organizations. Through CO.LAB and LAUNCH, they are supporting entrepreneurs throughout the City who are developing a wide array of local businesses.

OPPORTUNITIES

What could we be doing?

There are a number of opportunities that Chattanooga could pursue to establish a cohesive and effective workforce development plan for the City, including those modeled after successes from other cities' approaches to assist low-income residents overcome barriers to employment. These strategies include those recommended by Chattanooga 2.0 as part of strategy #10 "Connect Residents with High-Demand Jobs,"^{xxxiii} ideas expressed by stakeholders, and national best practices. Appendix D includes additional detail.

A Coordinated System to Train Residents for High-Demand Jobs. Stakeholders involving community providers, educators, and others could work in a coordinated fashion with employers to identify high-demand jobs, recruit residents for education and training programs in those fields, and support residents to program completion and into the job. This coordinated system is a primary strategy of Chattanooga 2.0. By coordinating and linking their work, stakeholders involved in education, training, employment, and support services will have a greater impact than implementing stand-alone programs. The benefits to this approach include:

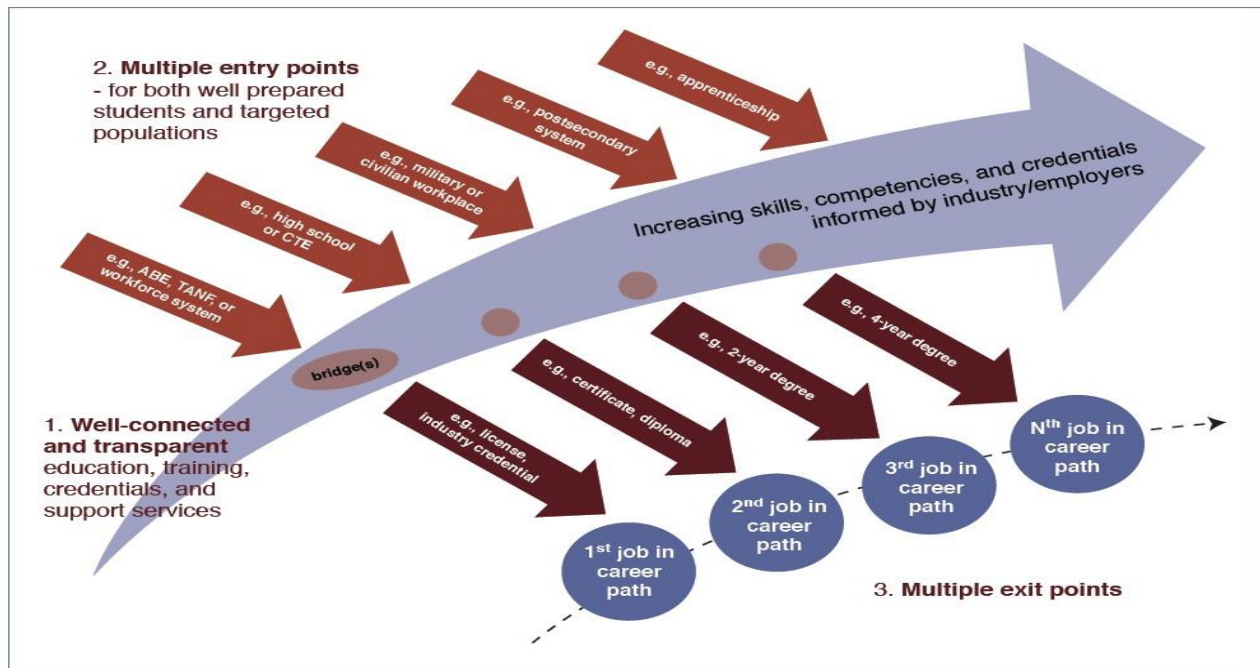
- Stronger pipelines to meet industry need and more stable employment for job seekers.
- More strategic use of community resources, such as the computer labs available in churches and in some of the Youth and Family Development Centers.

- Greater ability to identify and fill gaps in services and programs.

Such coordinated systems are commonly referred to as career pathways, defined as "well-articulated sequence[s] of education and training offerings." Their features include multiple entry points that accommodate participants entering at differing skill levels; multiple exit points at successively higher levels of education and employment; and services to support people as they pursue training and employment.^{xxxiv} A set of career pathways, developed in high-demand industries and occupations, would describe explicitly how individuals would access the training needed for specific careers and services that are available to support their progression along the pathway, as in the illustration below.

Strategy Spotlight

Multiple cities across the country have developed career pathways as a requirement of the Workforce Investment and Opportunity Act. The law requires that state and local workforce agencies (Workforce Development Boards and One-Stop Career Centers) collaborate with adult education, postsecondary education, and other partners to establish career pathway systems. "Career pathway systems structure intentional connections among employers, Adult Basic Education, support service providers, occupational training, and postsecondary education programs, and design the systems to meet the needs of learners and employers." ^{xxxvii}



Two additional strategies recommended by Chattanooga 2.0 would provide important added resources to service providers as they support residents in their pursuit of education, training and well-paying jobs:
^{xxxvi}

- 1) **Re-Engage Adults with Some Post-Secondary Training.** As Chatt 2.0 states, "by fully leveraging existing federal and state programs, such as Tennessee Reconnect, the state's support for adults with some college but no degree, and TCAT Wilder-Naifeh grant, which offers tuition-free technical training for adults at any Tennessee College of Applied Technology, we can help ensure

more adults have the access, information, and supports they need to successfully reconnect with our local institutions and complete their post-secondary education programs.”

- 2) **Create Job Portal with Burning Glass data.** The Job Portal, to be developed by the Chamber of Commerce, will be “an information hub with consolidated job opportunities as well as specific skills and credentials required for these opportunities. The portal will serve as a centralized resource for students, job-seekers, educators, and college and career advisors to make more informed decisions about learning and career development.” The Job Portal would be an important tool for service providers working with residents to map out a path to credentials with labor market value and a job in a high-demand field.

A Workforce Development Convener

Chattanooga would benefit from a formal convener to coordinate efforts among nonprofits, community agencies, education and training entities, and employers. They could help to build connections to increase recruitment for programs, guide strategy implementation, and lead collaborative efforts to secure funding. They could also help the community prioritize strategies, leverage resources, aggregate employer demand, and plan for systems and services, such as transportation.

In many cities, a city agency or community organization plays this role. The role of a convener would bring resources and networks of organizations to bear around the specific needs of Chattanooga, especially low-income Chattanooga. In other words, it would not replicate the work occurring now at Chattanooga 2.0, Chattanooga Chamber of Commerce, or Southeast Development District.

Strategy Spotlight

In Nashville, this convening role is played by the Mayor’s Office of Economic Opportunity and Empowerment, which “routinely engages community partners, efficiently leverages resources, and facilitates long-term planning and coordination to reduce poverty in Nashville.” It works in four subsectors: affordable housing, financial empowerment, workforce development, and homelessness.

Another model is presented by the Greater Memphis Alliance for a Competitive Workforce (GMACW), which was created to build a pipeline of high-skilled workers to address the needs of businesses in the Mid-South area. GMACW connects employers, educators, employment counselors, students, and jobseekers to build career pathways between the unemployed and the area’s high-skill openings. GMACW also documents employment pathways and works with education and training providers to align their programs to these pathways. Going beyond the role of convener, the organization publishes hiring trends, employer skill requirements, and the labor supply.

These examples are further described in Appendix D.

The convener would play a role similar to that of a workforce intermediary. These organizations help connect people to work, by working with groups of employers to identify their needs and with workers to help them obtain skills to become successfully employed by those employers. The following functions are common to high-performing intermediaries:^{xxxvii}

- Serving employers and workers, to address the needs of both employers and incumbent workers or jobseekers.
- Organizing multiple partners and funding streams, to enable employers to share the costs of training, and allow training providers to seek resources to meet the needs of community residents and employer partners within an industry.
- Projecting a vision to guide partnerships and activities, by mobilizing partners to achieve systemic reforms in workplaces, education and training providers, and policy.

- Analyzing the local labor market to understand high-demand occupations, high-growth industries, and broader economic trends.
- Developing ways to advance the careers of lower-skilled workers by providing or brokering supportive services such as childcare and transportation assistance.

Integrated Adult Basic Education and Technical Training. A number of models integrate the development of foundational math and reading skills with technical training. Still others, like the one recommended by Chattanooga 2.0, offer “dual enrollment” in HiSET and TCAT programs at the same time. Such programs have been found to accelerate student progress and improve persistence over “stand alone” Adult Basic Education or developmental education.^{xxxviii} These models would be important to develop in Chattanooga, given the high number of individuals lacking high school credentials and students who score below “college-ready” benchmarks on placement tests.

Currently, many of the technical training programs available at TCAT and ChattState are inaccessible to residents without a high school diploma or equivalency. TCAT's website notes that a diploma or equivalency is required for anyone seeking to cover their services with federal financial aid. Recently, a feature of the Higher Education Act called “Ability to Benefit” was reestablished to allow postsecondary programs to accept people who lacked a high school diploma if it can be shown that they can make effective progress in the program.^{xxxix} Utilizing this provision would significantly expand opportunity to TCAT and ChattState programs for Chattanoogaans.

“Bridge” Programs. “Bridge programs” provide services to prepare people for success in postsecondary programs such as certificate or degree programs at ChattState, TCAT, or elsewhere. Many of the current providers of employment services have the potential to expand their services to serve as bridge-to-college/postsecondary programs. Doing so would help create avenues to training that result in labor market credentials and higher-paying employment.

Strategy Spotlight

One model for integrating foundational skills is known as Integrated Basic Education and Skills Training (I-BEST), which integrates basic math and reading instruction and technical training leading to college credit, certificates and degrees. Initially developed in Washington State, I-BEST has been replicated in 84 colleges in seven states, across 174 different pathways.

Research conducted by the Community College Research Center and the Workforce Training and Education Coordinating Board found that I-BEST students outperform similar students enrolled in traditional basic skills programs. I-BEST students are:

- Three times more likely to earn college credits
- Nine times more likely to earn a workforce credential
- Earn an average of \$2,310 more per year than similar adults not in I-BEST^{xlii}

Locating Programs in More Accessible Locations. Chattanooga could identify locations to offer the services of the Tennessee Career Centers and certain courses of ChattState and TCAT downtown and/or in neighborhoods most in need. Many stakeholders spoke of the inaccessibility of these programs, given the geographic spread of Chattanooga and the transportation challenges faced by many residents. Stakeholders have indicated that there has been a great deal of discussion with ChattState and TCAT about offering some courses at a location closer to downtown or neighborhoods most in need. While ChattState officials have noted that moving training programs that require large lab spaces and heavy, expensive equipment is not feasible, they have indicated willingness to consider locating prerequisite courses to neighborhood locations. What seems to be lacking is a champion who can galvanize supporters to work out the logistical details, implement a plan, and determine a source of funding.

Strategy Spotlight

Bunker Hill Community College in Boston works with community-based providers to offer certain prerequisite courses at community locations. In addition to getting a start on college coursework, these programs offer services such as career planning, assistance with financial aid, and employability skills training. These collaborations help to provide a bridge to postsecondary education for individuals who need some added support to attend college, an environment that can be highly intimidating and unfamiliar. One such bridge program is offered at Jewish Vocational Services in Boston. Students at JVS can choose to take two general studies courses, or prerequisites for biotechnology or health information technology degrees.

This and other Bridge Programs are further described in Appendix D.

Stakeholders also noted that the Tennessee Career Center is an underutilized resource. Staff there expressed openness to bringing services to specific geographic areas. They are currently offering computer classes at Tech Goes Home sites and have a “mobile career center” that could be brought to a neighborhood location upon request. Given the training vouchers they manage and their extensive connections to employers and other resources, they need to become a more integral player in a strategy to support low-income Chattanoogaans.

Apprenticeship Programs. As noted above, Chattanooga has a number of apprenticeship programs and the city could work with unions, employers and ChattState to expand them. Many of these programs offer contextualized math and reading along with technical skills training. Apprenticeship programs are widely viewed as extraordinarily effective paths to middle- and high-wage employment. Stronger collaboration between providers working with low-income residents and unions and employers offering these programs could be an important part of a workforce development strategy.

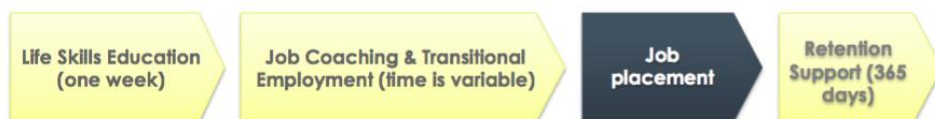
Pathways and Services for those with Criminal Backgrounds. A number of Chattanooga providers currently serve residents with criminal backgrounds. As pathways are developed for other residents, alternative strategies will have to be developed for this population. Some of the community-based providers in Chattanooga do work to find employment for this population, but often these jobs pay low wages.

Strategies that use low-wage, temporary jobs as “transitional jobs” while individuals build their technical and employability skills should be explored for this population (see graphic below). A transitional jobs strategy could also be an important strategy for other individuals, such as those with very low basic skills and no job experience. Goodwill in Chattanooga is experienced with the transitional jobs model and uses it for people with multiple barriers, including those with disabilities and criminal records. In addition, some cities, including Memphis, are working with employers to modify hiring practices for this population, a strategy Chattanooga could consider.^{xli}

The Center for Employment Opportunities (www.ceoworks.org) is a nationally known model that has been found to reduce recidivism among ex-offenders involved in the program. In a transitional job, individuals gain valuable work experience and earn wages as they are building skills for permanent employment.

Career Pathway Integration

Center for Employment Opportunities - Core Model



Training & Career Pathway Integration



3

Collaborative Funding Strategies. Working together, stakeholders could pursue funding to fill gaps in programming and scale effective efforts. Grant programs of the U.S. Departments of Labor, Education, Commerce, Housing and Urban Development, and others frequently support workforce development efforts in low-income communities and often seeks partnerships among broad community stakeholders, including schools, institutions of higher education, and employers. Many of the organizations listed among Chattanooga’s assets are funded by these sources, but could be more competitive by proposing a larger project with multiple partners and greater scope. Organizations could also collaboratively pursue state and private sources of funding. One such source is Tennessee LEAP, a grant program of the Drive to 55 Alliance designed to encourage collaboration between educators and industry by supporting local “alignment groups.”

Chattanooga should also make sure that it is fully using public resources available to students, especially Tennessee Reconnect and Tennessee Promise. Tennessee Reconnect could cover the costs of education

and training for a substantial number of Chattanoogaans, if a targeted effort was made to recruit adults who are eligible.

SECTION 3 – BRIDGING THE GAP

To respond to the challenges and barriers facing the City today – growing income inequality and wage stagnation; low educational attainment; lack of employable workforce; higher unemployment among minority populations; increasing population that is housing insecure; and limited access to opportunity – Chattanooga cannot continue with business as usual, and expect to keep pace with the increasing need for access to affordable homes, safe neighborhoods and an employable workforce. The process of linking affordable housing and workforce development strategies must begin with an understanding of the challenges and barriers, assets and opportunities, and how place intersects these challenges and opportunities. By understanding the relationship between various workforce development and housing market conditions and other social challenges, the City will be able to make the necessary strategy adjustments and shift the focus from isolated programs and policies, to coordinated cross-sector strategies and partnerships that promote access to opportunity.



This section of the report bridges the gap between affordable housing and workforce development strategies using the *Communities of Opportunity Index* and vision statements to establish common challenges and goals between both sectors, and proposes an opportunity typology and strategy roadmap to effectively align cross-sector strategies and financing with neighborhood conditions in order to provide greater access to opportunity for the City's hard-to-house and hard-to-employ population.

ALIGNING VISIONS



With these statements, Chattanooga 2.0 acknowledges the inherent linkage between housing, workforce, and quality of life, and the bold vision required to ensure those linkages are a reality for all residents. These statements also reinforce the dichotomy between the current economic trajectory of the City, highlighted by the looming job growth, and the limited benefit of this growth for the City's hard-to-house and hard-to-employ population. The following summarizes common challenges and goals between the affordable housing and workforce development sectors, visions for both sectors developed with the City and key stakeholders, and the alignment of these respective visions.

Common Challenges:

1. Serving hard-to-house and hard-to-employ populations
2. Coordinating cross-sector strategies
3. Access to transportation, training, education
4. Targeting limited resources

Common Goals:

1. Serving hard-to-house and hard-to-employ populations
2. Improving access to opportunity

City staff and local stakeholders, in collaboration with the project team, developed the following visions for affordable housing and workforce development during a daylong workshop on October 21, 2016.^{xlii}

Affordable Housing Vision



"To create a diverse, inclusive community where everyone can participate in our shared prosperity".

"To leverage targeted investment and policy change to address economic, health, and educational disparities and improve quality of life for all Chattanoogaans".

"To educate, communicate, and leverage resources intentionally to create a long-term legacy for place-based affordability".

~ Chattanooga Stakeholders

Workforce Development Vision



"Chattanooga will develop confident and engaged residents who can be successful in a culture of opportunity offering transparent pathways and living wages, and who meet the skill needs of employers in a thriving economy".

~ Chattanooga Stakeholders

Common Vision

The City should finalize its visions for affordable housing and workforce development and consider a common vision statement that integrates both sectors. A sample combined vision statement is provided below.

"Creating connected places by increasing access to opportunity for all residents."

LINKING STRATEGIES

The previous sections of this report established that affordable housing and workforce development challenges are largely associated with the same hard-to-house and hard-to-employ population and as discussed in more detail below, in similar geographic locations, such as areas classified as “Losing Connectivity” and “Opportunity Limited” within the *Communities of Opportunity Strategy Roadmap*. In addition to connecting strategies with specific populations and places, affordable housing and workforce development strategies should be linked programmatically, increasing their collective impact.

The following table illustrates how linkages between affordable housing and workforce development strategies can be established to provide greater access to opportunity for the City’s hard-to-house and hard-to-employ population.

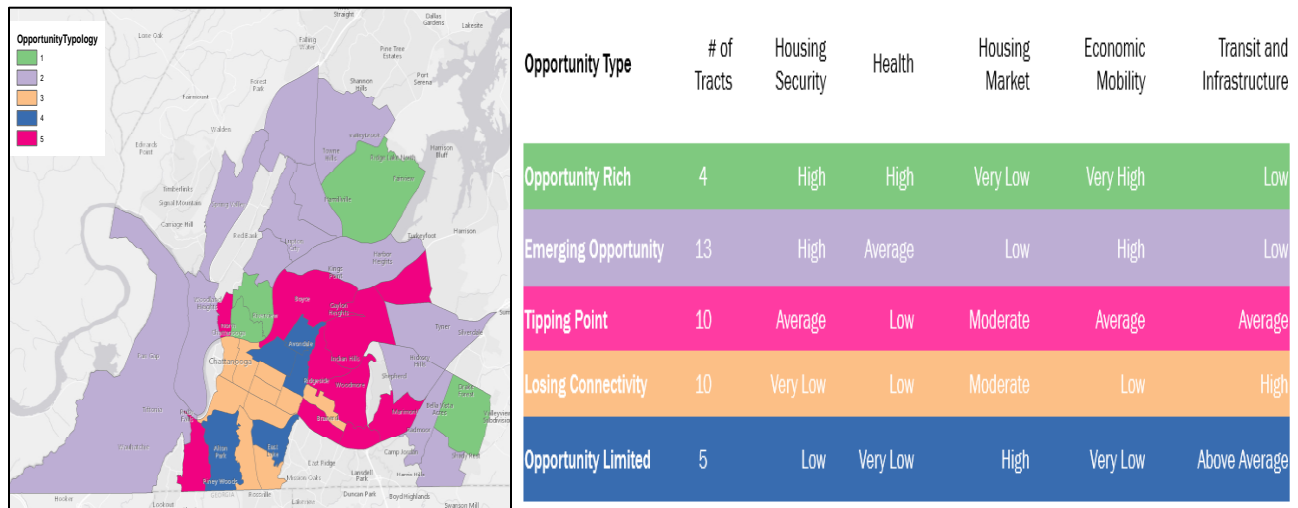
Affordable Housing Strategies	Linkages	Workforce Development Strategies
Prioritize access to opportunity in development solicitations, RFPs, and financing mechanisms, including: CDBG; HOME; the Housing PILOT Program; and AHT	Requiring developers to consider how their projects increase access to opportunity, the City can facilitate these connections to services	Build a coordinated system of connections between education and training opportunities, employers, and support services
Prioritize mixed-use developments that offer incubator or training space onsite so to accommodate modular training programs	Use flex space to bring modular training and educational programs to neighborhoods throughout the City	Develop programs that address basic skill needs in the context of technical training
Target brownfield sites for innovative reuse strategies including combined education, incubator and training facilities; or temporary installations	Brownfield sites may provide low-cost options for locating employment and training services or facilities throughout the City	Work to bring TCAT, ChattState, post-secondary “bridge” programs, and other employment and training services to neighborhood center locations
Identify and align diverse financing mechanisms to support affordable housing development, including private sector resources	Where feasible, combine affordable housing and workforce development strategies and outcomes when pursuing public and private funding (i.e., Choice Neighborhoods, MTW, etc.)	Work collaboratively to secure funding
Establish a role and structure for the Housing Task Force to drive strategies	Make hard-to-house and hard-to-employ populations a priority; and integrate Chattanooga 2.0 and Housing Task Force meetings and priorities	Designate a specific organization that would be responsible to convene partners around workforce development and build a cohesive strategy
Establish an NRSA to target public resources to implement a cross-sector approach, focused on increasing access to opportunity	ECD could establish an NRSA to overlap with Community Renewal Cluster, leveraging the NRSA flexibilities to pursue economic, housing, and service related strategies	Pilot these strategies through Chattanooga 2.0’s Community Renewal Cluster

DEVELOPING A ROADMAP

The NRN team developed an opportunity-based neighborhood typology to categorize neighborhood conditions, and a roadmap to align the appropriate strategies, financing, and policies to facilitate the integration of affordable housing and workforce development initiatives.

An Opportunity Typology

The housing market conditions and needs (and related challenges) present an opportunity for the City to develop a more strategic approach to how it produces and preserves affordable housing, and encourages greater access to opportunity through coordinated workforce development programs. These conditions also present an opportunity for the City to align resources in ways that support not only housing development, but also support public safety efforts, infrastructure upgrades, transportation access, and education and training. Applying the *Communities of Opportunity Index*, the NRN team developed the following neighborhood typology which categorizes areas of the City in terms of access to opportunity.



1. **Opportunity Rich.** Rental and ownership housing options are more expensive than in the rest of the City, but residents living in these areas can own or rent housing without severe cost-burdens or other housing problems. This is likely because residents have higher incomes, relative to the citywide median. Very few of the City's total federally assisted units are located in these areas and the built environment is not comfortable for persons on foot, making these areas difficult to access for those who have lower incomes or are transit-dependent.
2. **Emerging Opportunity.** These areas exhibit similar characteristics to Opportunity Rich areas, but suggest more needs related to economic mobility and inclusion, based on a higher rate of unemployment and fewer households with a high school diploma. These areas also have a higher share of households identifying as non-White, making them more likely to experience housing insecurity, and a higher share of households living in poverty.
3. **Tipping Point.** Some, but not all, residents living in these areas can own or rent housing without severe cost-burdens, and these households experience average rates of housing problems. Residents have incomes in line or slightly higher than the citywide median, but some residents

lack the education to advance to higher-income jobs. These areas need a mix of strategies, tailored to the characteristics that fall below the citywide average, namely related to health, and to help preserve and broaden the opportunity that already exists in these places.

4. *Losing Connectivity.* These areas have a locational advantage related to job access, since they are clustered in and around Downtown Chattanooga. Housing options are less expensive compared to other parts of Chattanooga, but residents living here cannot own or rent housing without severe cost-burdens or other housing problems. Residents tend to have incomes lower than the citywide median, lower levels of educational attainment, limited access to healthcare services and poorer physical health.
5. *Opportunity Limited.* These areas exhibit the highest rates of need across most dimensions of opportunity, excepting transit and infrastructure. These areas, like areas that are Losing Connectivity, have a pedestrian-friendly environment. These areas need a comprehensive, cross-sector approach to address issues related to housing insecurity and vulnerability, economic mobility and inclusion, and health, and become communities of opportunity. These areas have the most affordable housing options for both renters and owners.

The above opportunity types define the range of neighborhood conditions within Chattanooga, inclusive of all five dimensions of the index. The opportunity types and neighborhood conditions inform how to apply and integrate affordable housing and workforce development strategies to address access to opportunity in these areas.

Aligning Strategies, Policies and Financing Mechanisms

The *Communities of Opportunity Strategy Roadmap*, included as Appendix E, aligns affordable housing and workforce development investments, strategies and policies with neighborhood conditions identified through the opportunity typology, to promote access to opportunity for Chattanooga's hard-to-house and hard-to-employ population.

This roadmap was reviewed and discussed by more than 35 affordable housing and workforce development stakeholders during the "Bridging the Gap" workshop in October 2016. As part of this workshop, each sector was asked to identify ways to collaborate with the other sector (i.e., affordable housing with workforce development and vice versa). These stakeholders largely affirmed the need for a more coordinated effort between their respective sectors, noting that piloting a comprehensive approach to both housing and workforce development needs in a specific geographic location could start this effort.

While the *Communities of Opportunity Strategy Roadmap* outlines a range of strategies related to building or preserving opportunity citywide, stakeholders, especially workforce development stakeholders, expressed a need to focus on areas with the highest levels of need, evidenced by higher rates of unemployment, lower of educational attainment, and limited transit and job access—in short, in areas classified as "Losing Connectivity" or "Opportunity Limited" within the typology. The following workforce development strategies are most applicable to these areas:

- Bring TCAT, ChattState, college "bridge" programs and other employment and training services to neighborhood locations. See Appendix F for more information about bridge programs and integrated basic adult education and technical training.
- Prioritize Chatt 2.0 initiatives, namely Community Renewal Clusters.

- Identify pathways and services for those with criminal backgrounds and working in lower-skilled jobs (ideally in partnership with a community-based organization). See Appendix F for more information about career pathways, among other workforce development strategies.

Within the “Losing Connectivity” or “Opportunity Limited” types, affordable housing stakeholders recognized a need to focus on economic mobility, in addition to housing security (and health as well as in Opportunity Limited areas), through cross-sector investments. These stakeholders prioritized the following strategies within “Losing Connectivity:”

- Create a Community Development Corporation.
- Preserve workforce housing.
- Pursue large-scale energy retrofits.

They prioritized the following strategies within “Opportunity Limited:”

- Build a coordinated system of connection to education & training.
- Improve quality of existing housing.

Within these areas, stakeholders also recognized a need to support public safety efforts and neighborhood organizing to build local leadership to guide this work—and noted the need to act quickly since rising costs (particularly in Losing Connectivity) could hinder some of these strategies. They also recommended integrating workforce development programs with Youth and Family Development Centers. Priority strategies for affordable housing across the entire typology are summarized in Table 1 in Appendix F.

The *Communities of Opportunity Strategy Roadmap* forms the basis for continued collaboration between these sectors and can help involve more stakeholders in comprehensively addressing needs and unlocking new or existing assets within these specific areas throughout Chattanooga.

REFERENCES

ⁱ LEHD data from 2009 to 2014 suggests that the number of residents commuting into Chattanooga for work grew by 15 percent, and the number of residents commuting elsewhere to work also fell slightly by 2 percent. The City posted a 3 percent increase in population and 1 percent increase in labor force participation between 2009 and 2015 (American Community Survey 1-Year Estimates, 2009 and 2015).

ⁱⁱ <http://www.psrc.org/assets/7831/EquOppSusReport2.pdf>

ⁱⁱⁱ http://www.rooflines.org/3725/good_local_housing_policy_is_good_economic_development_policy/

^{iv} <http://www.nhi.org/pdf/ManagingNeighborhoodChange.pdf>

^v The analysis uses a combination of national datasets, including the 2014 American Community Survey 5-Year Estimates, 2000 Decennial Census, National Housing Preservation Database, and 2012 U.S. Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Survey (CHAS), and HUD's AFFH Online Mapping Tool. Additional local data, gathered from the City's Office of Economic and Community Development, CARTA, and Chattanooga Open Data Portal, supplemented these national datasets. In evaluating housing market trends and conditions the NRN team sought to understand the magnitude of housing needs citywide and within specific Census Tracts (or neighborhood boundaries when possible), and how these housing needs intersect with opportunity. The analysis of citywide trends used City boundaries and Census Tracts as the primary units of analysis. Where possible, data is explained according to the neighborhood association boundaries. To explain how housing needs and supply and access to opportunity relate to local neighborhood association boundaries, these boundaries were overlaid on Census Tracts. All values reflect the underlying data at the tract-level. The only exception is market activity which is summarized at the neighborhood association boundary level. Market activity was measured by residential building permits including demolitions, significant repairs, additions or alterations, new amenities (like swimming pools), and new construction with project costs \$10,000 or higher between 2010 to present. Residential building permits information was downloaded from the Chattanooga Open Data Portal.

^{vi} These trends suggest housing costs for renters within Hamilton County and statewide largely tracked with income over time. Even though the state experienced an overall drop in median income (2 percent), income and rental housing costs have largely tracked since 2000, resulting in no change in housing costs for renters across the state. Median housing costs are from the U.S. Census Bureau Decennial Census (1990; 2000) and American Community Survey Five-Year Estimates (2014). Change from 1990 to 2014 was calculated as percent change using 1990 as the base year and values are adjusted for inflation.

^{vii} U.S. Census Bureau Decennial Census (1990; 2000) and American Community Survey Five-Year Estimates (2014). Change from 1990 to 2014 was calculated as percent change using 1990 as the base year and values are adjusted for inflation.

^{viii} "Cost-burden" refers to households paying 30 percent or more of their income toward housing costs each month. American Community Survey One-Year Estimates (2009–2014).

^{ix} U.S. Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Survey. (2012).

^x American Community Survey Five-Year Estimates (2014).

^{xi} American Community Survey Five-Year Estimates (2014).

^{xii} American Community Survey 5-year Estimates (2014). Maximum rent for each income level was calculated using HUD's methodology for cost-burden.

^{xiii} Personal communication with Chattanooga Housing Authority. (2016).

^{xiv} Subsidized units includes project-based Section 8 vouchers, low-income housing tax credits, HOME, and HUD-insured properties, among others. Expiration date based on the unit's "year of the earliest housing subsidy expiration" from the National Housing Preservation Database. (2016).

^{xv} American Community Survey Five-Year Estimates (2014).

^{xvi} American Community Survey Five-Year Estimates (2014).

^{xvii} Market activity was measured by residential building permits per square mile. Permits included demolitions, significant repairs, additions or alterations, new amenities (like swimming pools), and new construction with project costs \$10,000 or higher between 2010 to present. Residential building permits information was downloaded from the Chattanooga Open Data Portal and normalized using the area of the Census Tract (as calculated in ArcMap). It was also analyzed by neighborhood association boundaries.

^{xviii} Analysis used the General Transit Feed Specification (GTFS) data provided by CARTA. To calculate transit frequency by stop, this analysis extrapolated number of stops per week per 15-minute intervals.

^{xix} CARTA identified as the City's "high-frequency" route in an interview with the NRN project team. The number of assisted and housing insecure households living within one-quarter mile of Route 4 was calculated for all routes tracked through GTFS; this data source omits special routes, such as shuttles to the Volkswagen Plant.

^{xx} These neighborhood association boundaries intersect Tracts 11, 31, and 30, which have the highest transit coverage for housing insecure households respectively.

^{xxi} Incidence of violent crime per 100 persons was measured using crime data from the Chattanooga Open Data Portal and normalized using population estimates from the American Community Survey (2014). It includes founded police incidents of Part 1 violent crimes from 2010 to present.

^{xxii} These neighborhood association boundaries intersect with Tracts 16, 19, and 25, have the highest shares of assisted households respectively.

^{xxiii} These neighborhood association boundaries intersect with Tracts 7 and 109.03, have the highest shares of housing insecure renters respectively. This trend also holds for housing insecure owners: The Census Tracts (104.11, 114.47, and 109.02) with the highest concentrations of housing insecure owners also tend to live in safer areas.

^{xxiv} Under this rule, every HUD grantee will submit an Assessment of Fair Housing that sets goals and priorities based on local data and community participation. Implementation of these activities will be supported by local, state, and federal resources, as articulated in the City's upcoming Consolidated Plan for federal formula block grant program funds.

^{xxv} Chattanooga 2.0. "Building the Smartest Community in the South." 2016.

^{xxvi} U.S. Census Bureau, American Community Survey, 2015 1 year estimate.

^{xxvii} Poverty rates decreased 3.9 percent nationally and 5.6 percent statewide during the same period. 2010-15 American Community Survey (ACS) 1-Year. Poverty Status in the Past 12 Months.

^{xxviii} Poverty rates decreased 3.9 percent nationally and 5.6 percent statewide during the same period. U.S Census Bureau. 2010-15 American Community Survey (ACS) 1-Year Estimate. American Community Survey (ACS). "Poverty Status in the Past 12 Months." Available at: www.factfinder.census.gov.

^{xxix} Chattanooga Area Chamber. 2015. "Major Employers List." Available at: <http://www.chattanoogachamber.com/media/majemp.pdf>

^{xxx} Labor Insight Jobs (Burning Glass Technologies). Education (Minimum Advertised).

^{xxxi} Annual Openings estimates the number of openings per year over the same period. To demonstrate how this metric works, imagine an occupation with 100 jobs today that is projected to grow by 10 percent over the next five years. We would anticipate that occupation to have 110 jobs five years from now. But if 40 percent of the initial 100 workers left during the five-year period due to retirement and other factors, there would be 40 additional openings to fill. Annual Openings, by combining the projected change in jobs with replacement jobs, estimates the number of openings in a given occupation per year

^{xxxii} Liberman, M.A., & J. Fontaine. 2015. *Reducing Harms to Boys and Young Men of Color by Criminal Justice System Involvement*. Washington, DC: The Urban Institute. Available at: <http://www.urban.org/sites/default/files/alfresco/publication-pdfs/2000095-Reducing-Harms-to-Boys-and-Young-Men-of-Color-from-Criminal-Justice-System-Involvement.pdf>

^{xxxiii} “Building the Smartest Community in the South: Ten Urgent Strategies to Transform Our Future,” Chattanooga 2.0, available at: http://chatt2.org/wp-content/uploads/2016/09/CHA2.0_New-Report_09-16.pdf

^{xxxiv} “Shared Vision, Strong Systems,” Alliance for Quality Career Pathways, Center for Law and Social Policy. June 2014. Available at: <http://www.clasp.org/resources-and-publications/files/aqcp-framework-version-1-0/AQCP-Funder-Letter.pdf>

^{xxxv} US DOL. “Career Pathways Toolkit: A Guide for System Development.” Available at: https://wdr.doleta.gov/directives/attach/TEN/TEN_17-15_Attachment_Acc.pdf

^{xxxvi} “Building the Smartest Community in the South,” p. 21.

^{xxxvii} Hoops, John and Randall Wilson. “Expanding the Mission: Community Colleges and the Functions of Workforce Intermediaries.” Jobs for the Future: August 2010.

^{xxxviii} Wilson, Randall, “Lessons Learned From Accelerating Opportunity.” Jobs for the Future. April 2015. Available at: <http://www.jff.org/sites/default/files/publications/materials/Lessons-Learned-From-Accelerating-Opportunity-041315.pdf>

^{xxxix} Office of Career, Technical, and Adult Education. 2016. “New Guidance on ‘Ability to Benefit.’” Available at: <http://sites.ed.gov/octae/2015/06/05/new-guidance-on-ability-to-benefit/>

^{xl} John Wachen, Davis Jenkins, and Michelle Van Noy, “How I-BEST Works: Findings from a Field Study of Washington State’s Integrated Basic Education and Skills Training Program,” Community College Research Center, Columbia University. 2010. Available at <http://ccrc.tc.columbia.edu/media/k2/attachments/how-i-best-works-findings.pdf>

^{xli} “Memphis Business Leaders Discuss Overcoming Challenges with Employing Individual with Criminal Records,” The Council of State Governments, February 18, 2015. Available at: <https://csgjusticecenter.org/reentry/posts/memphis-business-leaders-discuss-overcoming-challenges-with-employing-individuals-with-criminal-records/>

^{xlii} The NRN team facilitated a visioning process incorporating all five dimensions of the *Communities of Opportunity Index* and used a word cloud activity to guide the City’s development of a vision for affordable housing.

HOUSING & WORKFORCE DEVELOPMENT

in Chattanooga, TN

What is **affordable** housing?

When a household pays no more than 30% of their monthly income on housing costs, including utilities.

While Chattanooga has been prospering in many ways, the benefits of new job growth and real-estate development have not been shared by all Chattanoogaans. Some residents still pay too much for housing and lack access to job opportunities. Through cross-sector collaboration, the City and its partners can build communities of opportunity and ensure all Chattanoogaans benefit from the City's growing prosperity.

Change: 1990-2014



80%

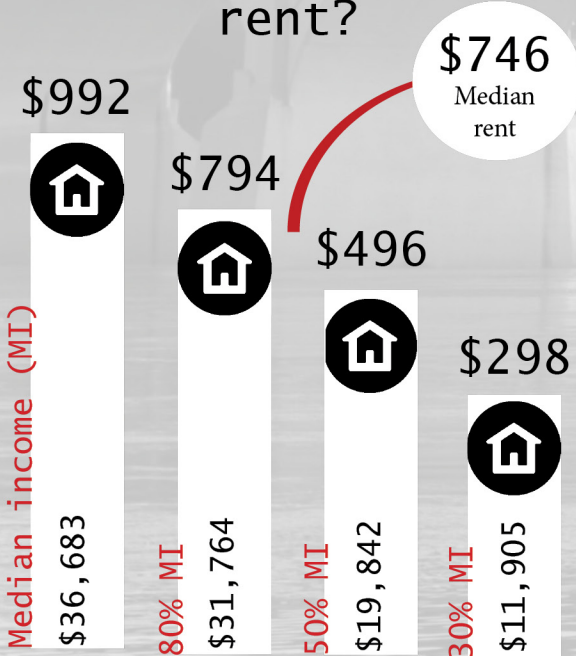
Of jobs paying \$35k+ require a post-secondary credential

38%

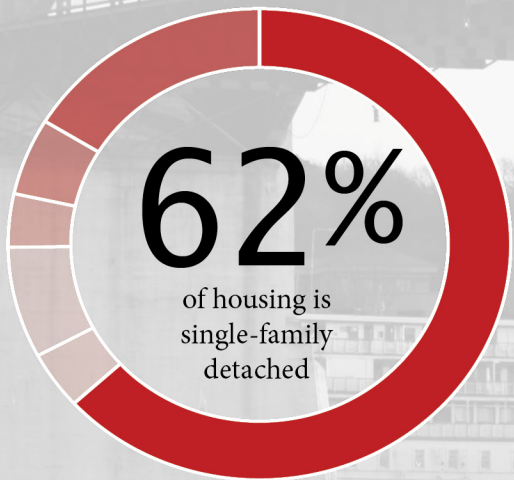
Of Hamilton Co. residents have a post-secondary credential



What is an **affordable** rent?

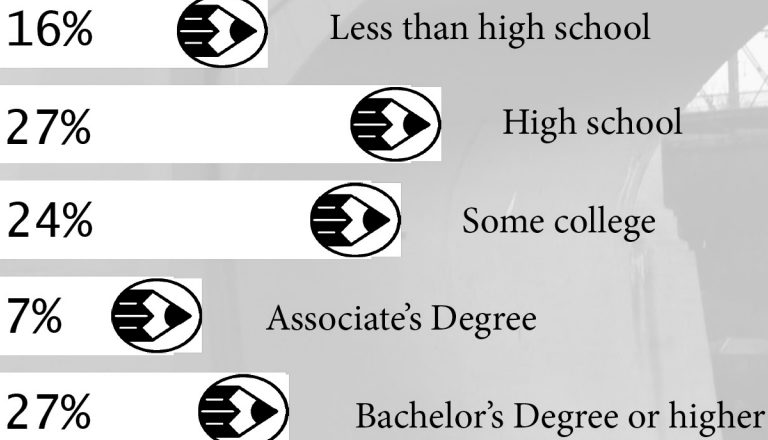


Housing stock



Top sectors - Hamilton Co.

1. Healthcare
2. Manufacturing
3. Accommodation / food services
4. Retail trade
5. Administrative services
6. Transportation / warehousing



Educational attainment



18%

Of low-income households pay 50%+ of their income on housing

Unemployment (2015)



9%

Unemployment rate among all residents

5%

Unemployment rate among White residents

16%

Unemployment rate among Black residents

	Chattanooga, TN	Birmingham, AL	Charleston, SC	Savannah, GA
Population	167,674	212,237	120,083	136,286
Median Age	37.1	35.8	33.2	31.4
# of Companies	16,348	20,738	16,050	12,676
% HS graduate or higher	84.5%	83.9%	93.2%	85.6%
Total Housing Units	80,536	111,233	59,582	61,753
Vacancy	13.2%	20.2%	12.5%	15.4%
% Housing Built Before 1980	67.1%	77.2%	46.5%	69.0%
% Renter-Occupied	46.7%	51.5%	47.5%	55.0%
2-bedroom FMR	\$ 679	\$ 743	\$ 896	\$ 860
Median Rent	\$ 745	\$ 728	\$ 989	\$ 891
Δ in Median Rent (2010 to 2014)	9.4%	8.5%	12.1%	8.8%
Median Household Income	\$ 39,683	\$ 31,217	\$ 52,971	\$ 36,628
Δ in Median HH Income (2010 to 2014)	10.8%	3.3%	14.3%	12.5%
Share of Renters Paying 30% of Income or More on Housing	51.9%	58.5%	56.2%	59.8%
% of People Below the Poverty Level	22.5%	31.0%	19.0%	26.1%
Unemployment Rate	10.7%	14.5%	7.4%	12.7%
% of Residents Commuting Out of City for Work	54.7%	58.2%	48.7%	57.7%
Largest Industry	Educational services, and health care and social assistance	Educational services, and health care and social assistance	Educational services, and health care and social assistance	Educational services, and health care and social assistance
Occupations				
Management, business, science, and arts	35.4%	31.3%	44.8%	30.9%
Sales and Office Occupations	24.8%	24.8%	23.2%	24.4%
Service Occupations	19.7%	22.4%	20.3%	25.1%
Production transportation, and material moving occupations	13.8%	14.2%	6.9%	12.4%
Natural resources construction, and maintenance occupations	6.4%	7.2%	4.8%	7.2%

Columbus, GA	Huntsville, AL	Jackson, MS	Knoxville, TN	Springfield, MO	United States
189,885	180,105	173,514	178,874	159,498	308,745,538
33.3	36.8	31.6	33.8	32.8	37.4
17,405	16,838	18,459	19,158	15,978	27,626,360
85.5%	89.3%	83.5%	87.0%	87.8%	86.3%
83,212	86,986	75,341	90,377	78,335	132,741,033
12.8%	11.5%	17.2%	9.2%	9.6%	12.5%
56.8%	56.2%	74.1%	67.1%	61.8%	56.3%
49.2%	40.2%	47.6%	52.0%	52.8%	35.6%
\$ 705	\$ 689	\$ 771	\$ 774	\$ 650	\$ 984
\$ 826	\$ 723	\$ 753	\$ 745	\$ 668	\$ 920
9.0%	9.4%	-1.3%	11.0%	10.0%	7.6%
\$ 41,362	\$ 49,060	\$ 33,080	\$ 33,494	\$ 32,473	\$ 53,482
16.9%	10.4%	-4.7%	12.0%	13.2%	6.9%
52.4%	50.4%	61.1%	55.7%	54.8%	52.3%
20.2%	17.6%	29.9%	24.6%	26.4%	15.6%
11.3%	10.9%	7.8%	7.9%	9.3%	5.8%
55.7%	52.8%	58.3%	54.1%	51.8%	n/a
Educational services, and health care and social assistance	Educational services, and health care and social assistance	Educational services, and health care and social assistance	Educational services, and health care and social assistance	Educational services, and health care and social assistance	Educational services, and health care and social assistance
33.8%	42.1%	30.5%	35.3%	31.2%	36.4%
26.3%	24.4%	24.9%	26.7%	28.2%	24.4%
21.3%	17.7%	25.0%	20.2%	23.0%	18.2%
11.9%	10.0%	13.1%	10.1%	11.3%	12.1%
6.6%	5.8%	6.5%	7.8%	6.3%	9.0%

Sources: 2010 Census, 2006-2010 ACS 5-Year Estimates, 2010-2014 ACS 5-Year Estimates, 2012 Survey of Business Owners, and FY 2014 HUD Fair Market Rent Documentation

Appendix B - Comparison of Cities

	Chattanooga, TN		
	<i>Total renter households</i>	<i>Total units affordable to renter households</i>	<i>Housing Gap</i>
0-30% HAMFI	8,785	4,880	3,905
0-50% HAMFI	14,640	10,875	3,765
0-80% HAMFI	20,980	27,680	(6,700)
0-30% HAMFI	8,785	4,880	3,905
31-50% HAMFI	5,855	5,995	(140)
51-80% HAMFI	6,340	16,805	(10,465)

	Birmingham, AL		
	<i>Total renter households</i>	<i>Total units affordable to renter households</i>	<i>Housing Gap</i>
0-30% HAMFI	16,690	8,245	8,445
0-50% HAMFI	25,325	23,220	2,105
0-80% HAMFI	33,600	43,855	(10,255)
0-30% HAMFI	16,690	8,245	8,445
31-50% HAMFI	8,635	14,975	(6,340)
51-80% HAMFI	8,275	20,635	(12,360)

	Charleston, SC		
	<i>Total renter households</i>	<i>Total units affordable to renter households</i>	<i>Housing Gap</i>
0-30% HAMFI	6,090	2,845	3,245
0-50% HAMFI	9,445	4,810	4,635
0-80% HAMFI	13,545	14,760	(1,215)
0-30% HAMFI	6,090	2,845	3,245
31-50% HAMFI	3,355	1,965	1,390
51-80% HAMFI	4,100	9,950	(5,850)

	Savannah, GA		
	<i>Total renter households</i>	<i>Total units affordable to renter households</i>	<i>Housing Gap</i>
0-30% HAMFI	7,660	3,060	4,600
0-50% HAMFI	12,730	6,795	5,935
0-80% HAMFI	18,700	21,275	(2,575)
0-30% HAMFI	7,660	3,060	4,600
31-50% HAMFI	5,070	3,735	1,335
51-80% HAMFI	5,970	14,480	(8,510)

	Columbus, GA		
	<i>Total renter households</i>	<i>Total units affordable to renter households</i>	<i>Housing Gap</i>
0-30% HAMFI	7,040	3,225	3,815
0-50% HAMFI	12,315	8,760	3,555
0-80% HAMFI	18,565	23,755	(5,190)
0-30% HAMFI	7,040	3,225	3,815
31-50% HAMFI	5,275	5,535	(260)
51-80% HAMFI	6,250	14,995	(8,745)

Appendix B - Comparison of Cities

	Huntsville, AL		
	<i>Total renter households</i>	<i>Total units affordable to renter households</i>	<i>Housing Gap</i>
0-30% HAMFI	8,560	4,720	3,840
0-50% HAMFI	14,950	19,825	(4,875)
0-80% HAMFI	20,625	32,050	(11,425)
0-30% HAMFI	8,560	4,720	3,840
31-50% HAMFI	6,390	15,105	(8,715)
51-80% HAMFI	5,675	12,225	(6,550)

	Jackson, MS		
	<i>Total renter households</i>	<i>Total units affordable to renter households</i>	<i>Housing Gap</i>
0-30% HAMFI	9,590	4,780	4,810
0-50% HAMFI	15,680	12,080	3,600
0-80% HAMFI	21,670	29,450	(7,780)
0-30% HAMFI	9,590	4,780	4,810
31-50% HAMFI	6,090	7,300	(1,210)
51-80% HAMFI	5,990	17,370	(11,380)

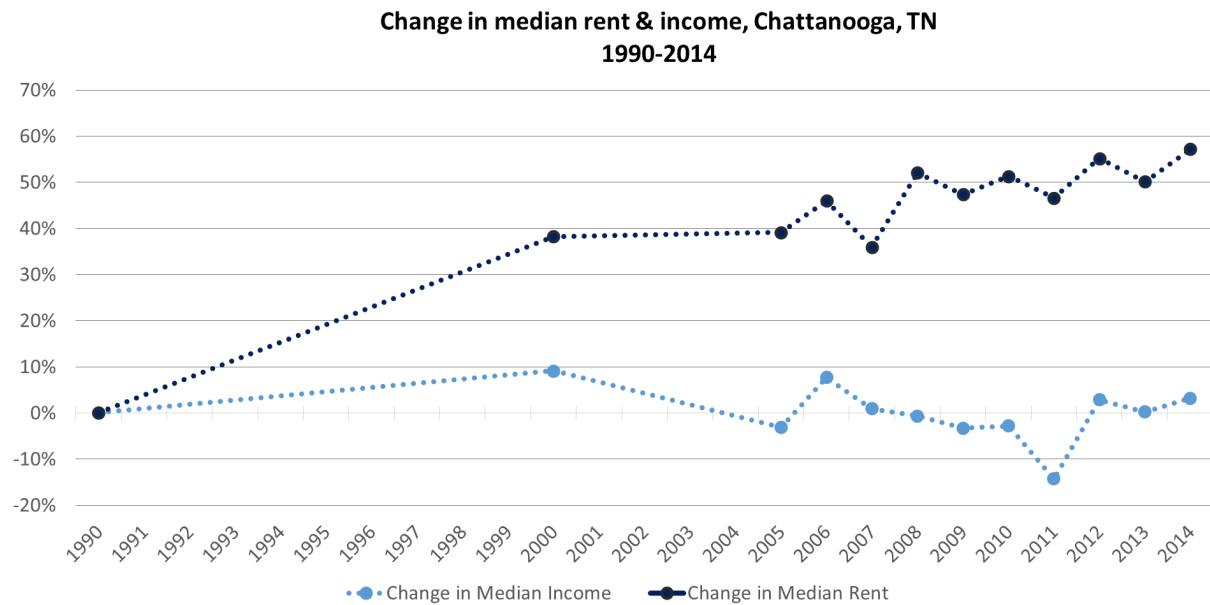
	Knoxville, TN		
	<i>Total renter households</i>	<i>Total units affordable to renter households</i>	<i>Housing Gap</i>
0-30% HAMFI	12,965	6,470	6,495
0-50% HAMFI	20,630	15,790	4,840
0-80% HAMFI	30,700	38,715	(8,015)
0-30% HAMFI	12,965	6,470	6,495
31-50% HAMFI	7,665	9,320	(1,655)
51-80% HAMFI	10,070	22,925	(12,855)

	Springfield, MO		
	<i>Total renter households</i>	<i>Total units affordable to renter households</i>	<i>Housing Gap</i>
0-30% HAMFI	9,075	3,470	5,605
0-50% HAMFI	16,775	15,725	1,050
0-80% HAMFI	25,170	36,795	(11,625)
0-30% HAMFI	9,075	3,470	5,605
31-50% HAMFI	7,700	12,255	(4,555)
51-80% HAMFI	8,395	21,070	(12,675)

APPENDIX C – Detailed Data Tables and Maps

Figures

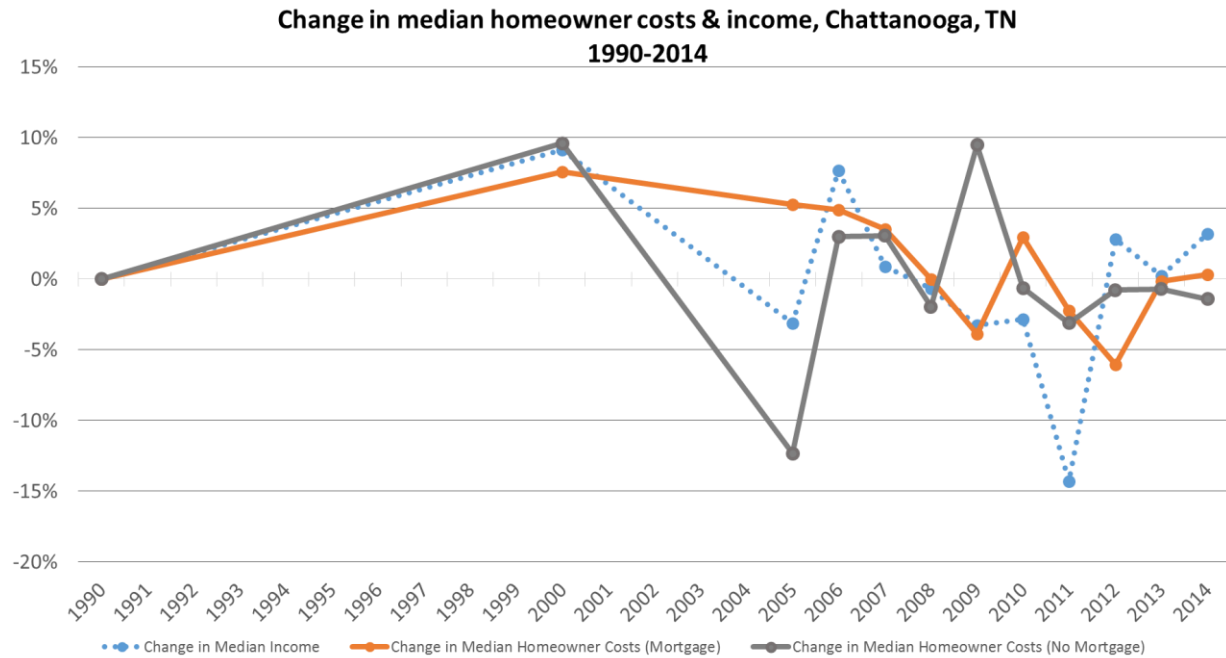
Figure 1. Change in median income and renter housing costs (1990-2014), Chattanooga, TN



Source: 2010-2014 American Community Survey 5-year Estimates
Change calculated as the percent change from 1990 base year, adjusted for inflation.

APPENDIX C – Detailed Data Tables and Maps

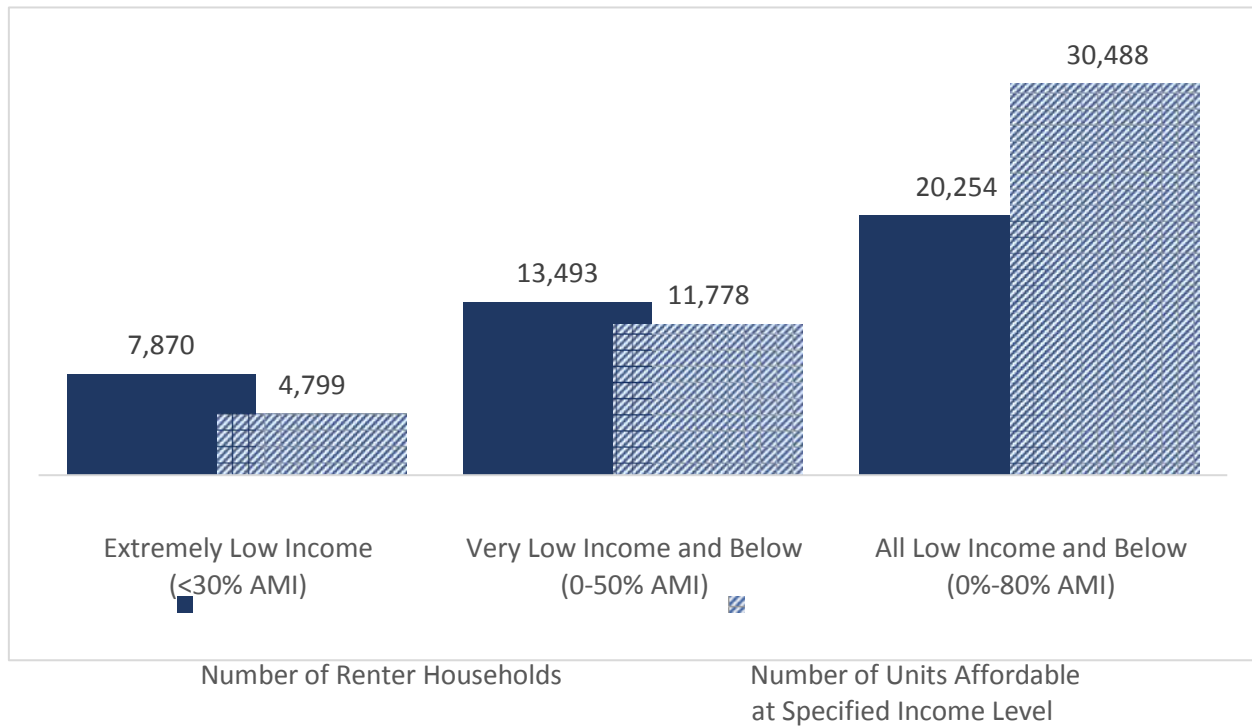
Figure 2. Change in median income and owner housing costs (1990-2014), Chattanooga, TN



Source: 2010-2014 American Community Survey 5-year Estimates
 Change calculated as the percent change from 1990 base year, adjusted for inflation.

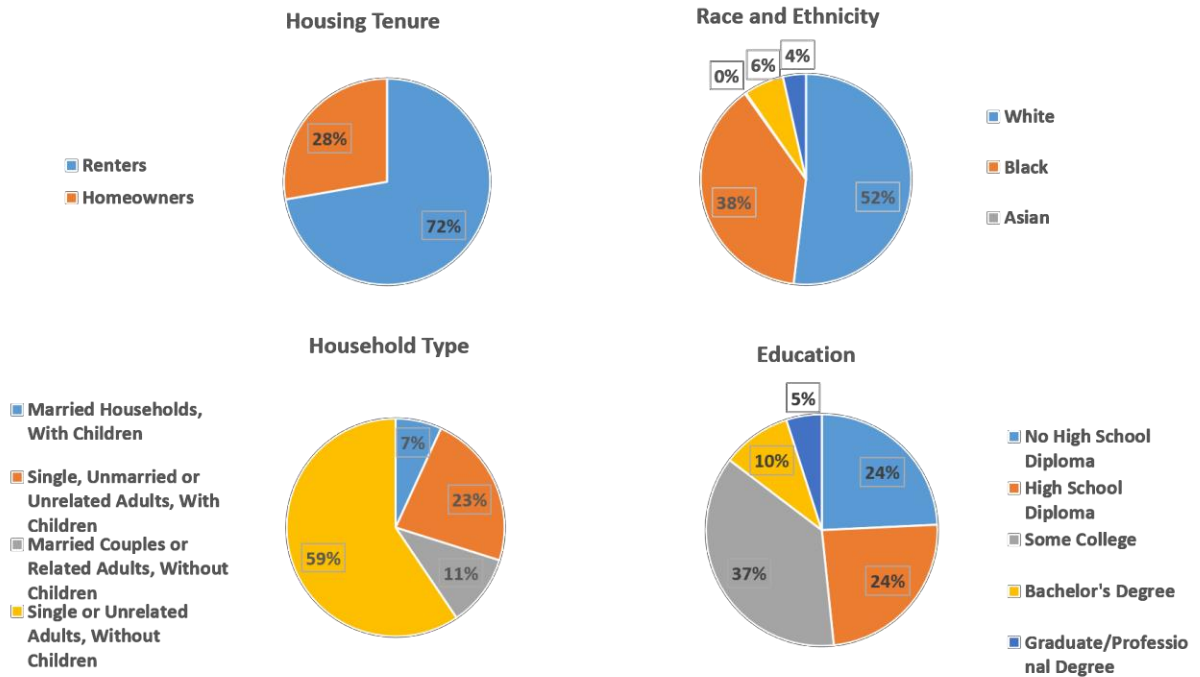
APPENDIX C – Detailed Data Tables and Maps

Figure 3. Affordable units for low-income renters, Chattanooga, TN



Source: 2010-2014 American Community Survey 5-year Estimates

Figure 4. Characteristics of housing insecure households, Chattanooga, TN

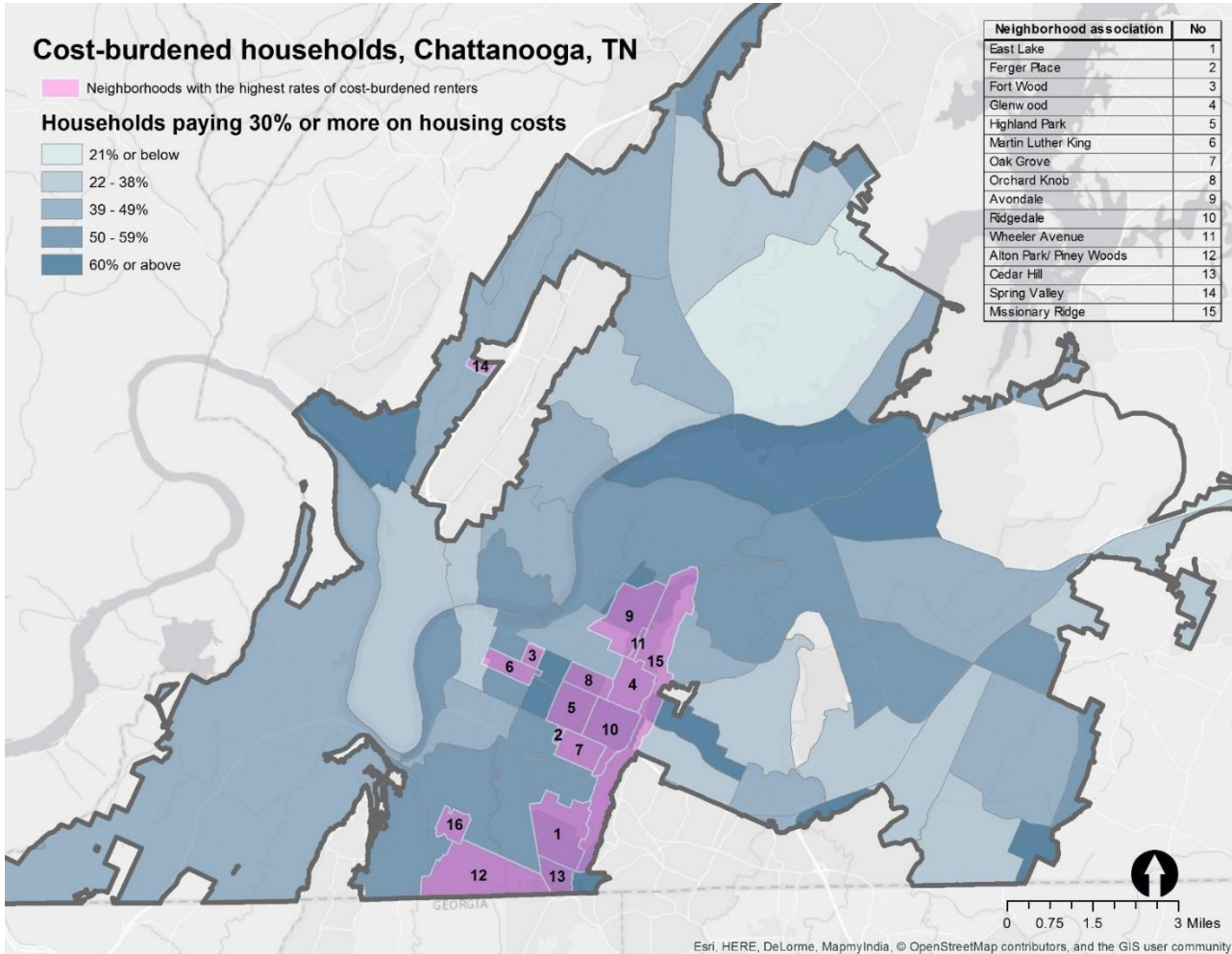


Source: 2010-2014 American Community Survey 5-year Estimates

APPENDIX C – Detailed Data Tables and Maps

Maps

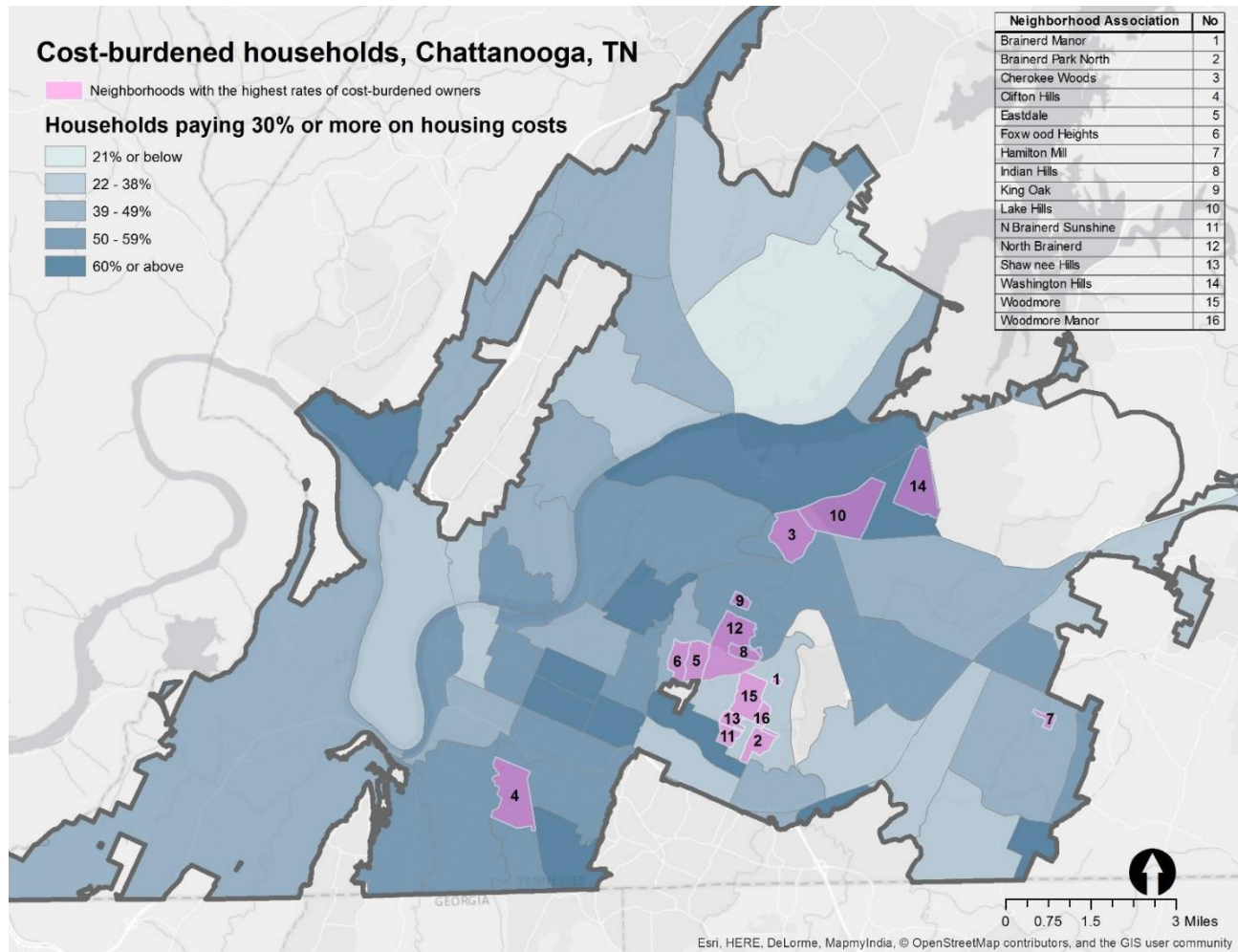
Map 1a. Areas with the highest share of cost-burdened renters relative to all cost-burdened households, Chattanooga, TN



Source: 2008-2012 CHAS

APPENDIX C – Detailed Data Tables and Maps

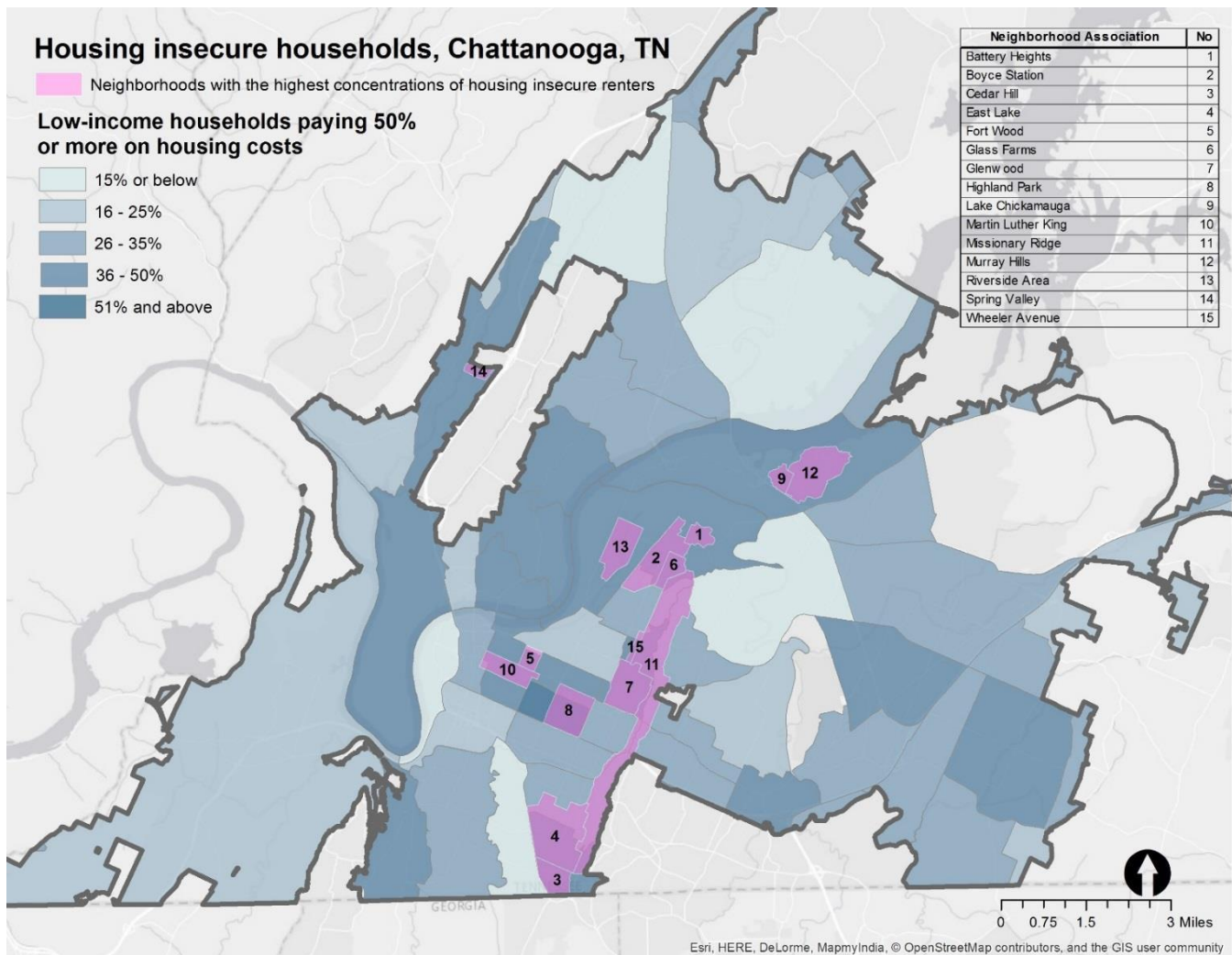
Map 1b. Areas with the highest share of cost-burdened owners relative to all cost-burdened households



Source: 2008-2012 CHAS

APPENDIX C – Detailed Data Tables and Maps

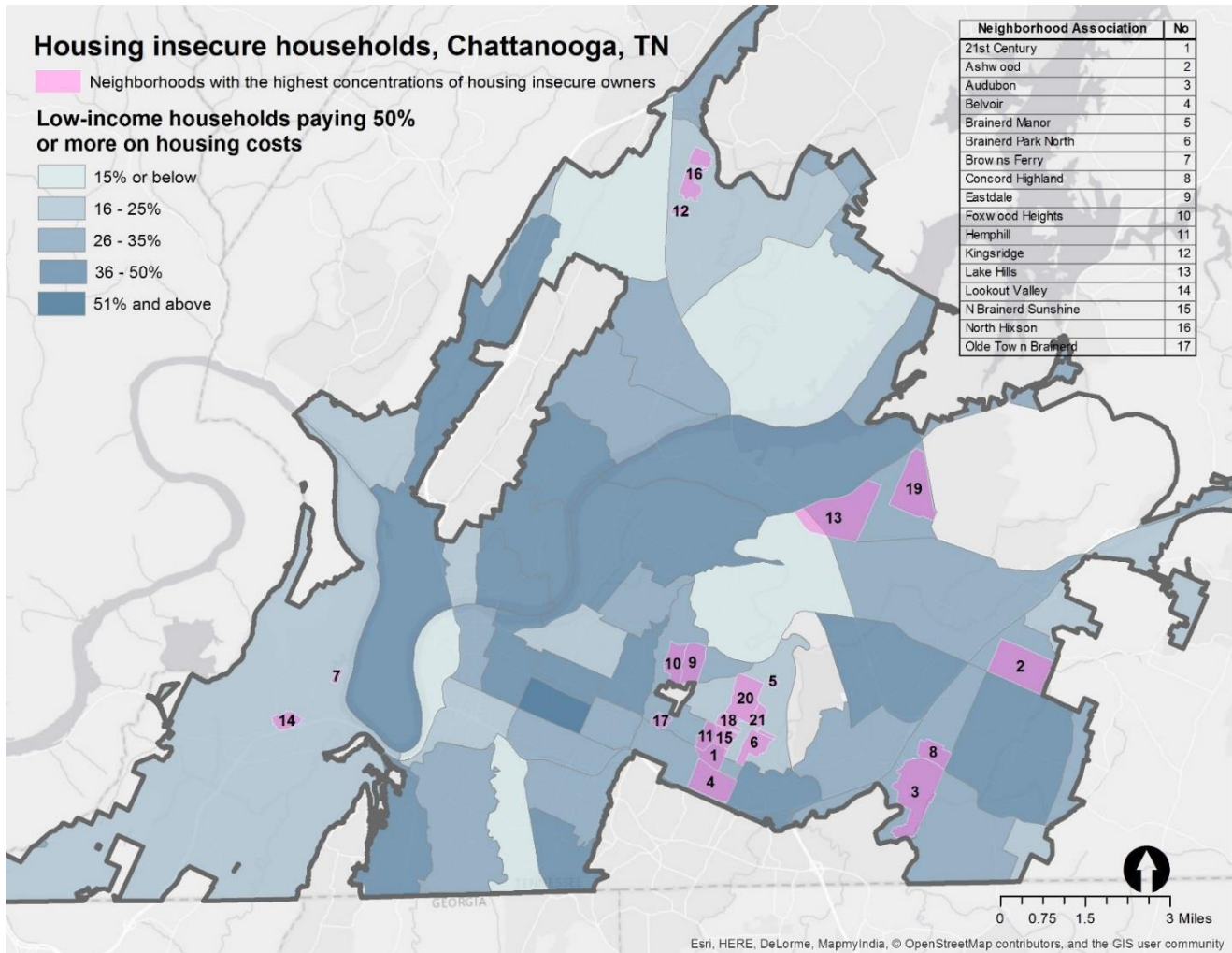
Map 2a. Areas with the highest share of housing insecure renters relative to all housing insecure households, Chattanooga, TN



Source: 2010-2014 American Community Survey 5-year Estimates

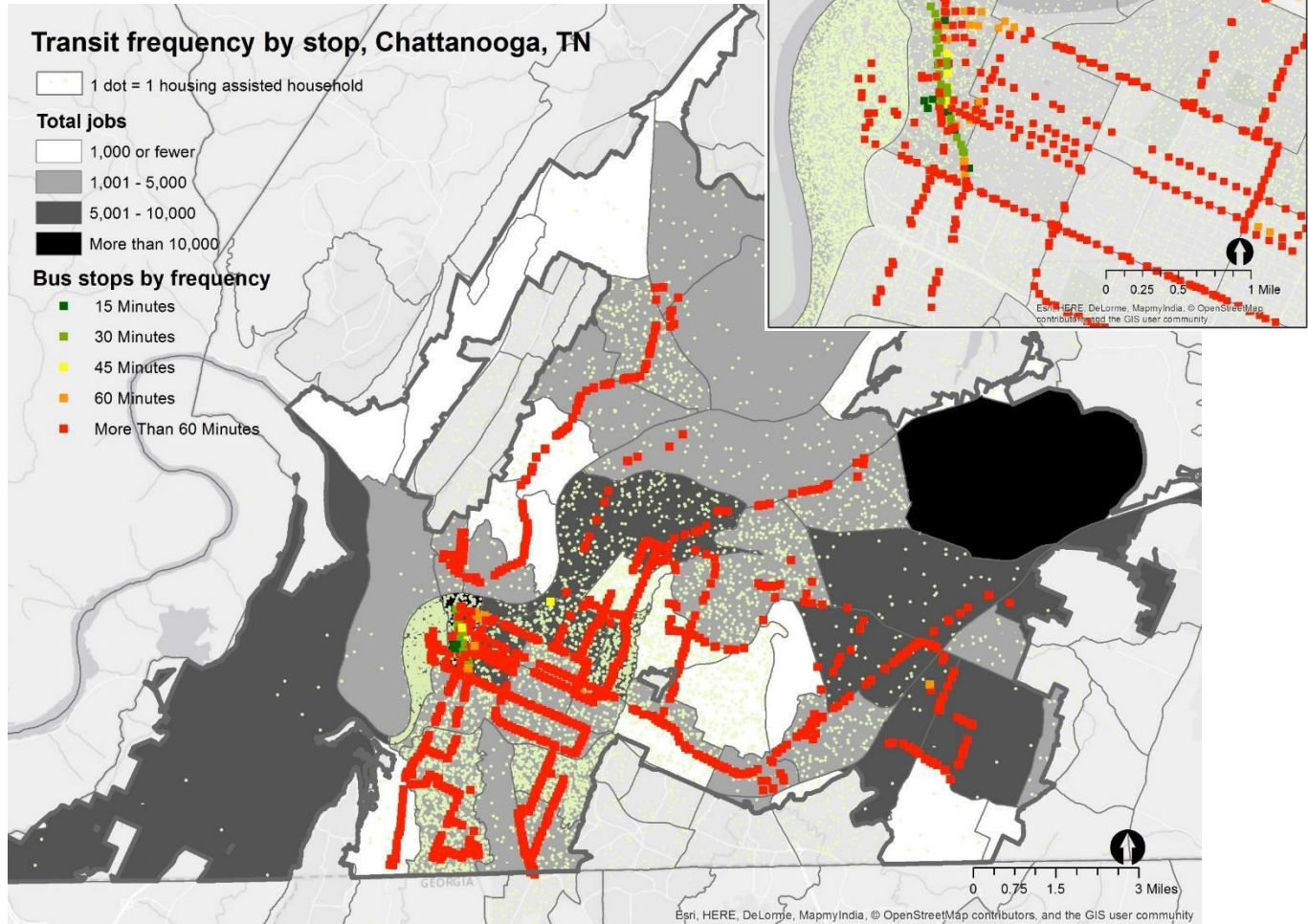
APPENDIX C – Detailed Data Tables and Maps

Map 2b. Areas with the highest share of housing insecure owners relative to all housing insecure households, Chattanooga, TN



Source: 2010-2014 American Community Survey 5-year Estimates

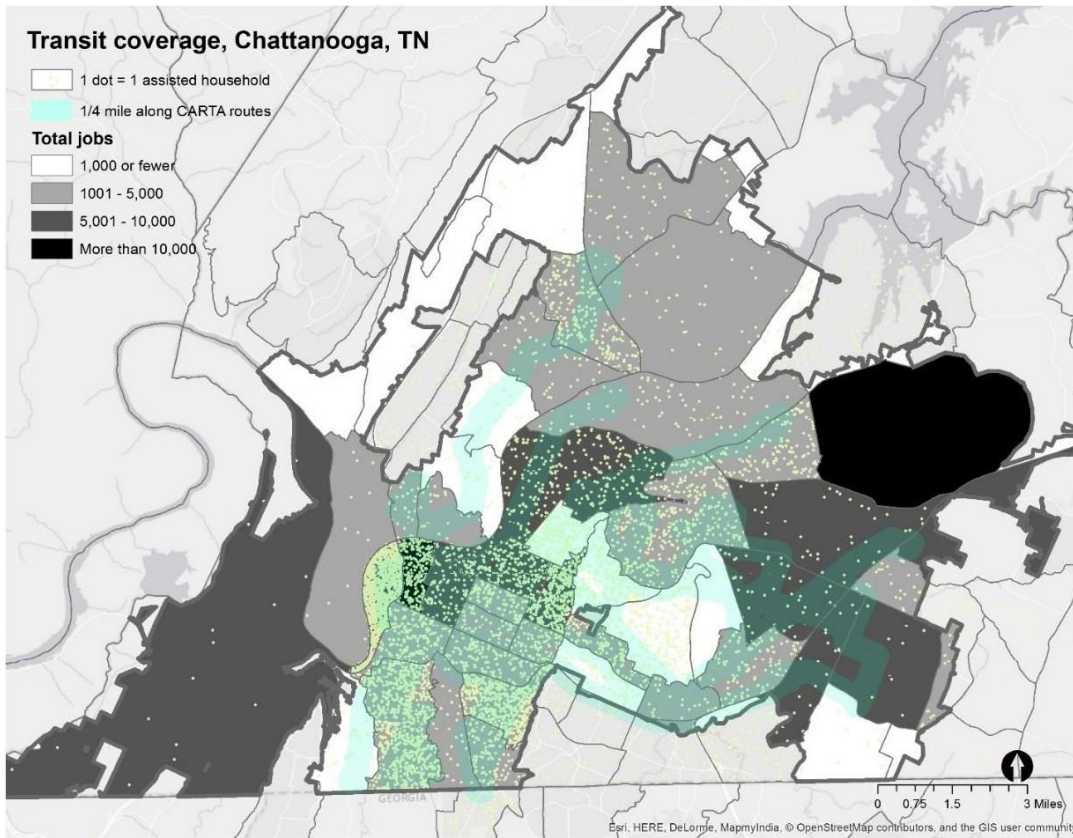
Map 3. Transit frequency by stop, Chattanooga, TN



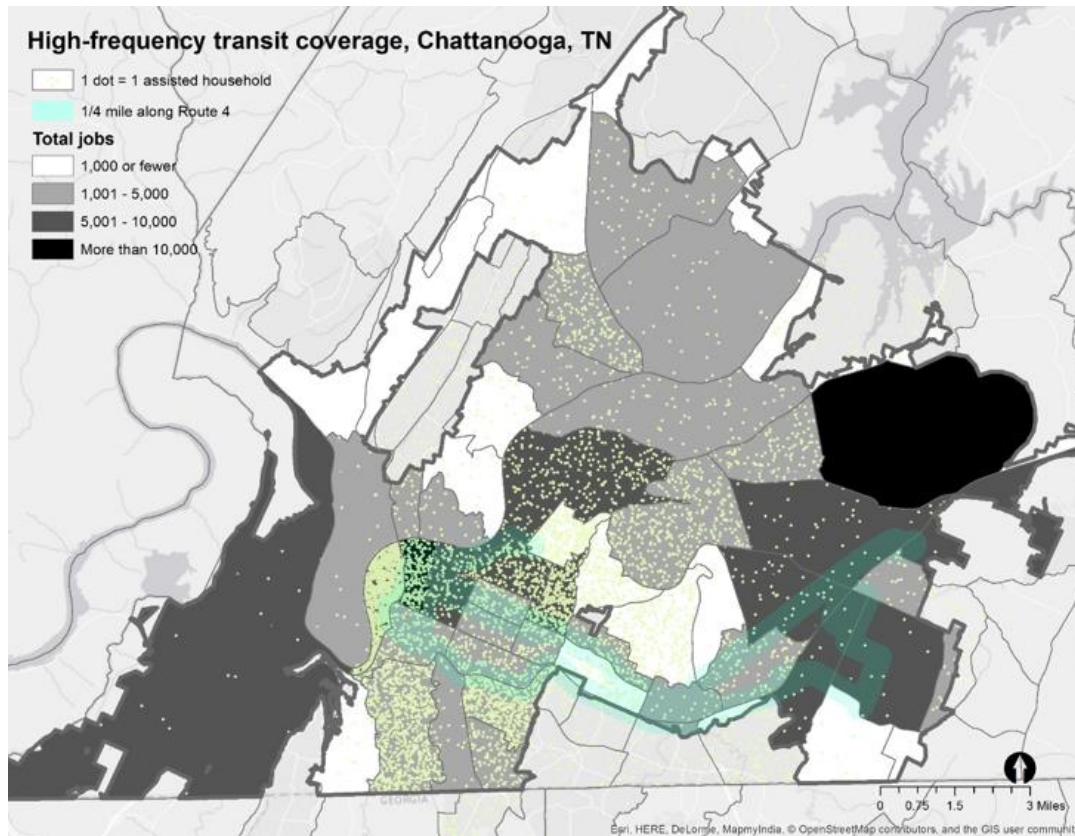
Sources: 2010-2014 American Community Survey 5-year Estimates; National Housing Preservation Database, and GTFS via CARTA.

APPENDIX C – Detailed Data Tables and Maps

Maps 4a-4b. Transit coverage for assisted households, Chattanooga, TN; High-frequency coverage for assisted households, Chattanooga, TN



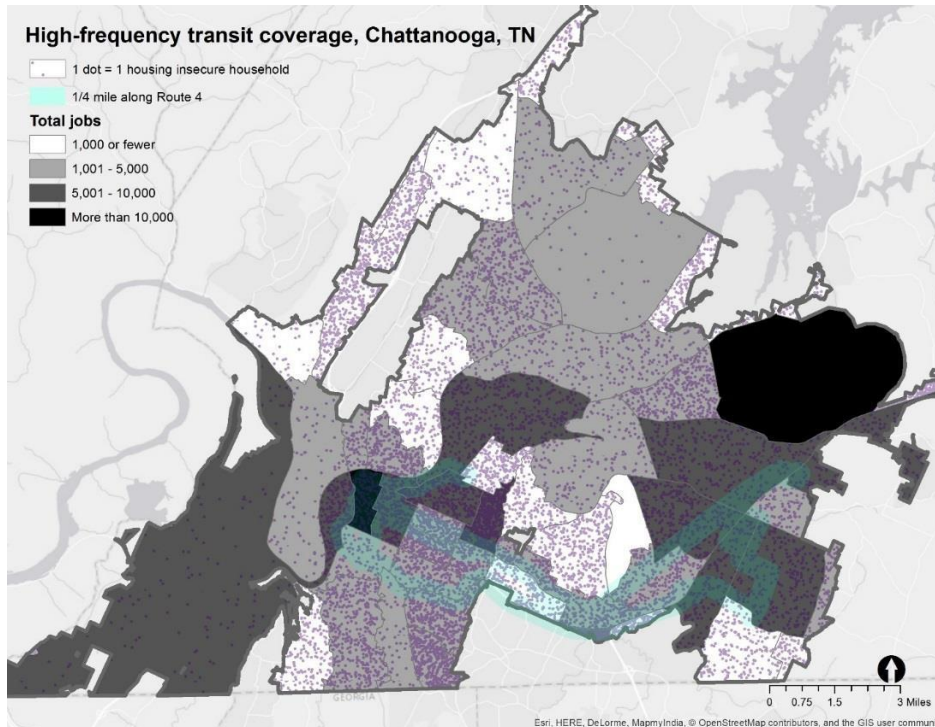
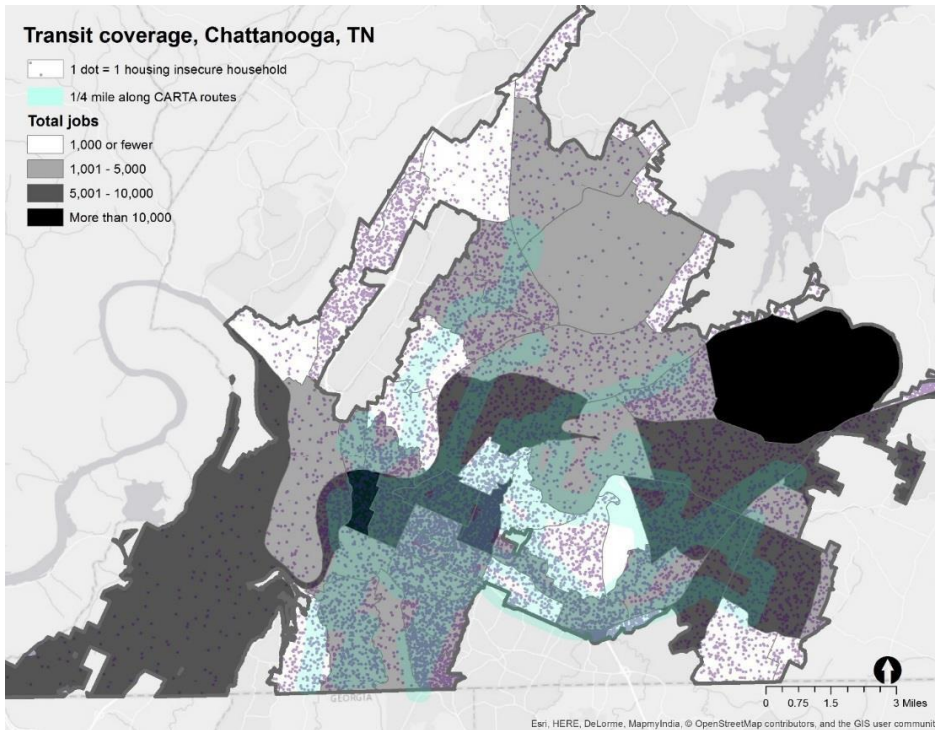
APPENDIX C – Detailed Data Tables and Maps



Sources: 2010-2014 American Community Survey 5-year Estimates; National Housing Preservation Database, and GTFS via CARTA.

APPENDIX C – Detailed Data Tables and Maps

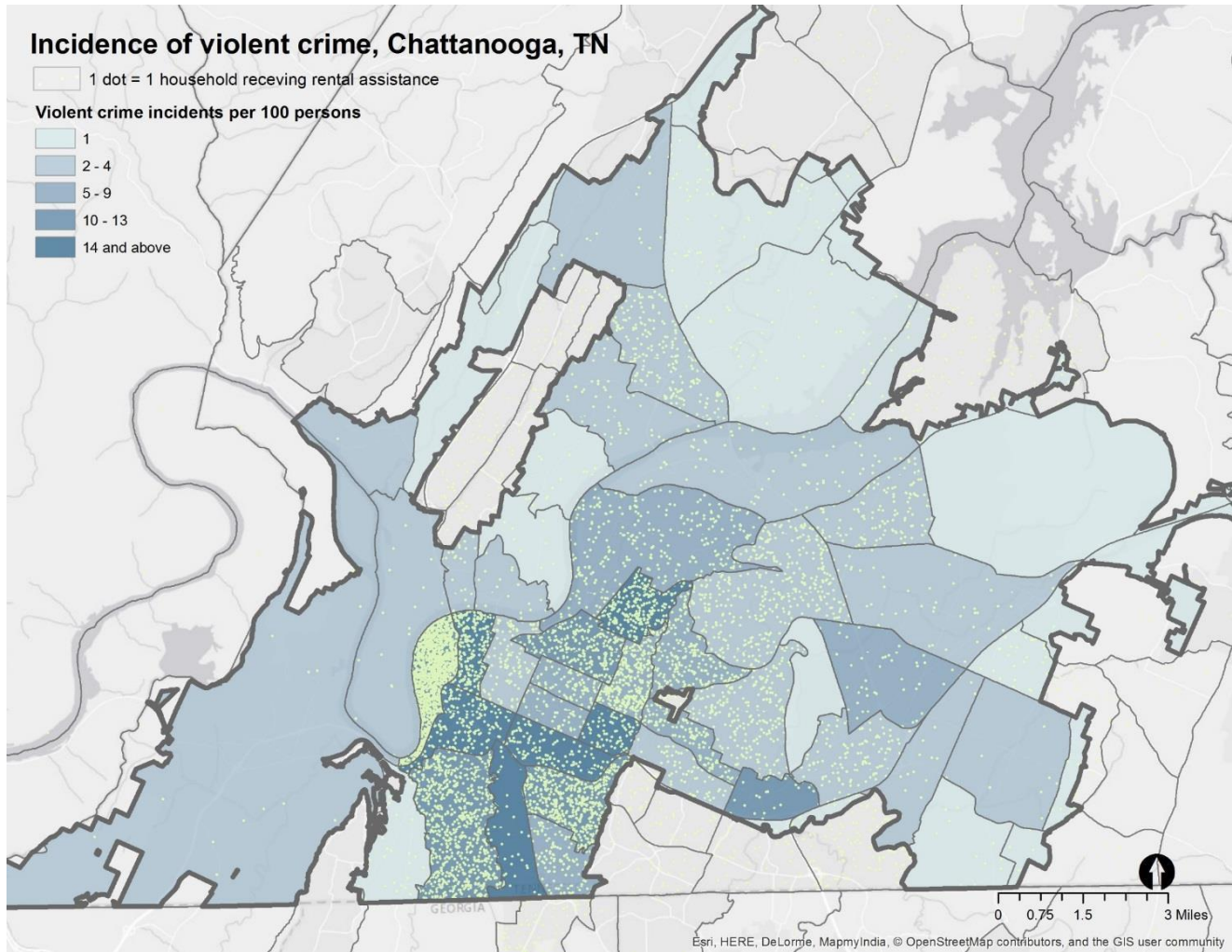
Map 5a-5b. Transit coverage for housing insecure households, Chattanooga, TN; High-frequency coverage for housing insecure households, Chattanooga, TN



Sources: 2010-2014 American Community Survey 5-year Estimates; GTFS via CARTA.

APPENDIX C – Detailed Data Tables and Maps

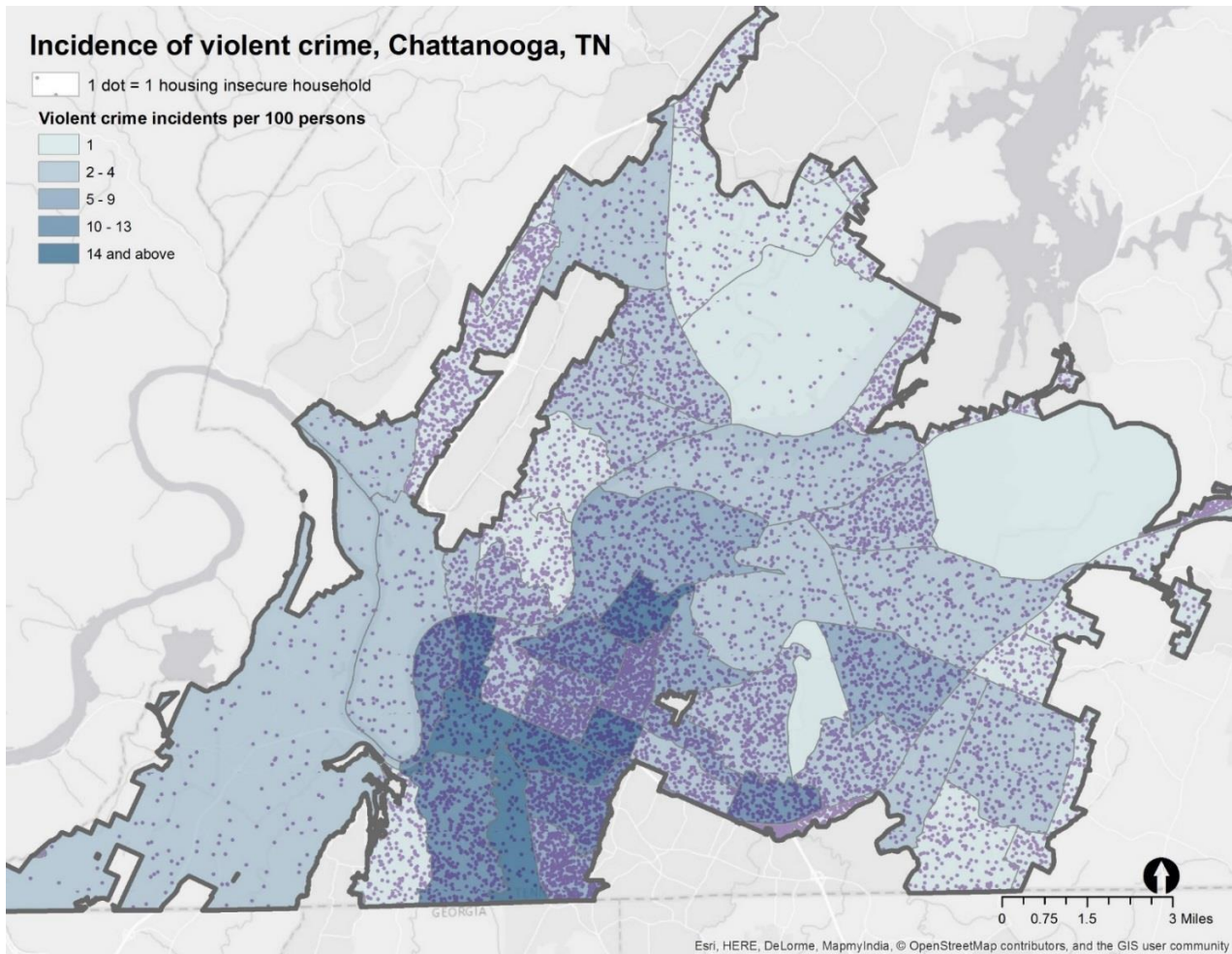
Map 6. Incidence of violent crime among assisted households, Chattanooga, TN



Sources: 2010-2014 American Community Survey 5-year Estimates, National Housing Preservation Database, and Chattanooga Open Data Portal.

APPENDIX C – Detailed Data Tables and Maps

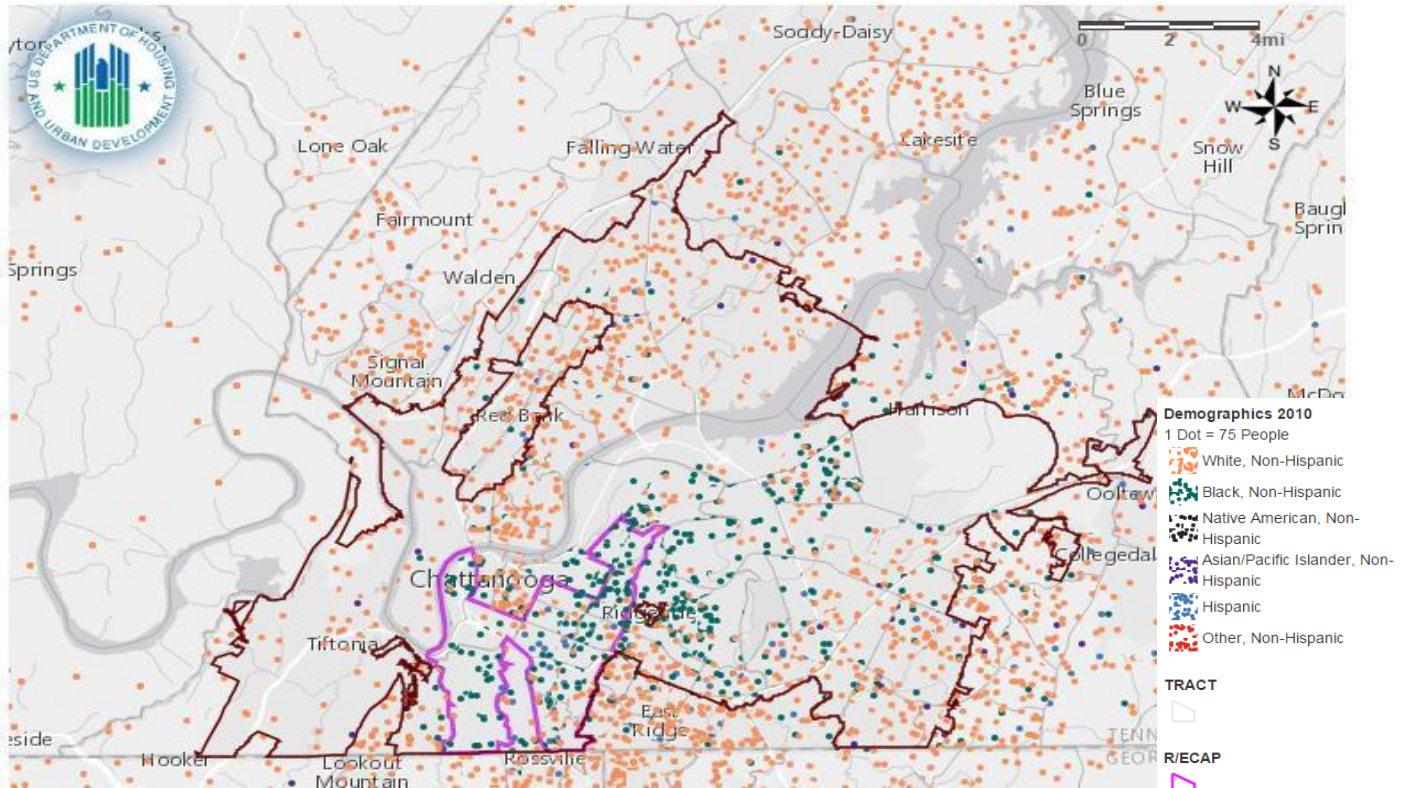
Map 7. Incidence of violent crime among housing insecure households, Chattanooga, TN



Sources: 2010-2014 American Community Survey 5-year Estimates and Chattanooga Open Data Portal.

APPENDIX C – Detailed Data Tables and Maps

Map 8. Race and ethnicity citywide and R/ECAP, Chattanooga, TN

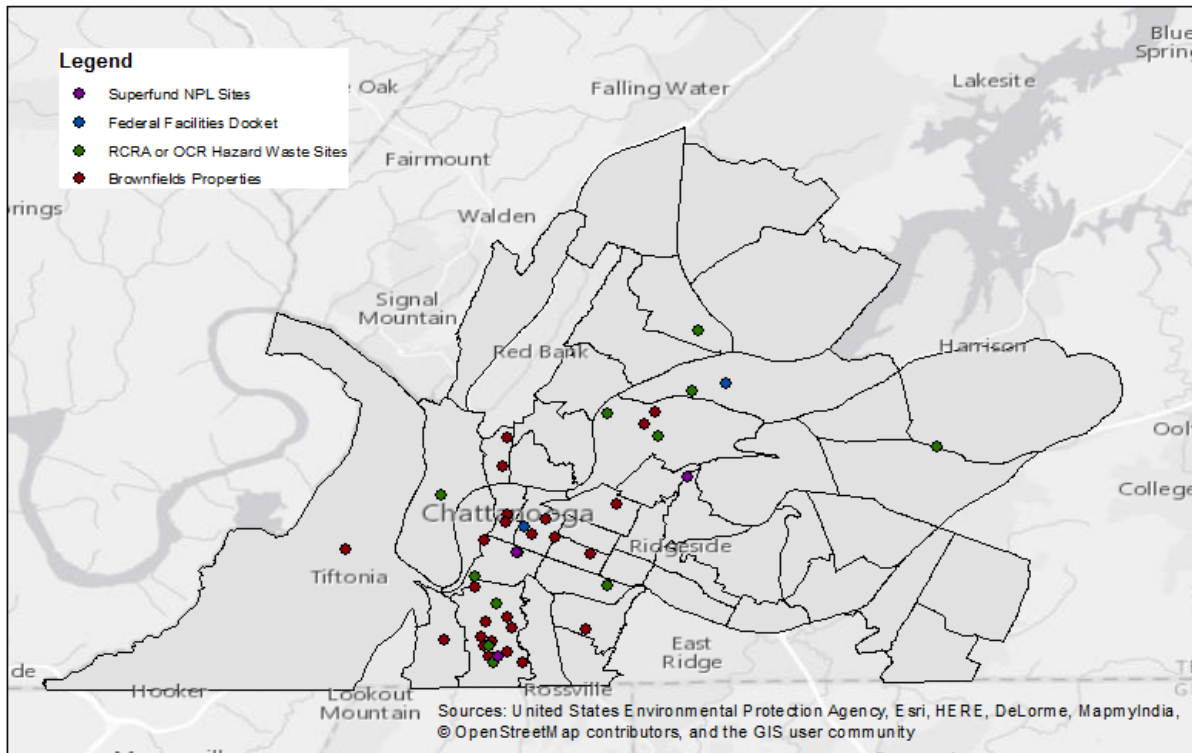


Source: HUD, Affirmatively Furthering Fair Housing Data & Mapping Tool, egis.hud.gov/affht/

APPENDIX C – Detailed Data Tables and Maps

Map 9: Brownfield Site Locations

Brownfields in Chattanooga, TN



Sources: Environmental Protection Agency, Cleanups in My Community

APPENDIX C – Detailed Data Tables and Maps

Tables

Table 1. Number of housing insecure households, Chattanooga, Hamilton County, and the State of Tennessee

Housing insecure households				
	Renters		Owners	
<i>Place</i>	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
Chattanooga	8,812	26%	3,384	10%
Hamilton County	10,935	24%	6,660	8%
Tennessee	176,975	23%	133,250	8%

Source: 2010-2014 American Community Survey 5-year Estimates

Table 2. Maximum rent affordable to low-income households, Chattanooga, TN

Affordable rents by income levels				
	City of Chattanooga		Chattanooga, TN-GA MSA	
<i>Income level</i>	<i>Income</i>	<i>Maximum rent</i>	<i>Income</i>	<i>Maximum rent</i>
30% AMI	\$11,905	\$298	\$13,868	\$347
50% AMI	\$19,842	\$496	\$23,114	\$578
80% AMI	\$31,764	\$794	\$36,982	\$925
AMI	\$36,683	\$992	\$46,228	\$1,156

Source: 2010-2014 American Community Survey 5-year Estimates
Maximum rent calculated using HUD methodology for cost-burden.

APPENDIX C – Detailed Data Tables and Maps

Table 3. Gaps analysis of rental units affordable to low-income renter households, Chattanooga, TN

Gaps analysis			
Income level	Renter households	“Affordable” units	“Affordable” but unavailable units
0-30% AMI	7,870	4,799	2,274
0-50% AMI	13,493	11,778	4,253
0-80% AMI	20,254	30,488	9,696

Source: 2010-2014 American Community Survey 5-year Estimates

Table 4. Subsidized units at risk of expiration by 2030, Chattanooga, TN

Subsidized units at-risk of expiration through 2030		
Year	Units	Total To-Date
In 2016	113	113
By 2020	764	877
By 2025	858	1,735
By 2030	373	2,108

Source: National Housing Preservation Database 2016

Expiration date based on the unit's "year of the earliest housing subsidy expiration."

APPENDIX C – Detailed Data Tables and Maps

Table 5. Neighborhood associations with the highest number of building permits (top 20%), 2010-present, Chattanooga, TN

Neighborhoods with the highest levels of market activity (by total permits), 2010-present	
Neighborhood association	No. of permits
St. Elmo	162
Northside/Cherokee	143
Highland Park	125
Missionary Ridge	103
Alton Park/ Piney Woods	97
Jefferson Heights	83
Southside Cowart	57
Ridgedale	56
Hill City	47
Audubon	46
Avondale	45
Martin Luther King	42
East Lake	41
Shepherd	36

Source: Chattanooga Open Data Portal

Market activity was measured by residential building permits per square mile. Permits included demolitions, significant repairs, additions or alterations, new amenities (like swimming pools), and new construction with project costs \$10,000 or higher between 2010 to present. Permit information was normalized using the area of the Census Tract (as calculated in ArcMap). It was also analyzed by neighborhood association.

APPENDIX C – Detailed Data Tables and Maps

Table 7. Neighborhood associations with the most investment (top 20%), 2010-present, Chattanooga, TN

Neighborhoods with the highest levels of market activity (by total project cost), 2010-present	
Neighborhood association	Total investment
Northside/Cherokee	\$19,596,222
Missionary Ridge	\$11,772,539
Jefferson Heights	\$10,989,780
St. Elmo	\$9,532,973
Highland Park	\$8,510,130
Southside Cowart	\$8,360,033
Audubon	\$5,426,339
Alton Park/ Piney Woods	\$4,888,736
Hill City	\$4,744,180
Martin Luther King	\$4,017,117
Ashwood	\$3,781,201
Avondale	\$3,452,873
Murray Hills	\$3,088,000
Kensington Forest	\$2,789,750

Source: Chattanooga Open Data Portal

Contents

AFFORDABLE HOUSING EXAMPLES	2
Memphis, TN	2
Edge Innovation District*	2
Sustainable Communities Initiative (SCI) Regional Planning Grant*	2
Choice Neighborhoods Implementation Grant	3
Central Business Improvement District	4
Downtown PILOT (Payment-in-lieu-of-tax) Program*	4
Unified Development Code	5
Greater Memphis Partnership*	5
Columbus, GA	6
Employer-Assisted Housing*	6
Enterprise Zone	7
Enterprise Zone Brownfield Initiative	7
Technical College System of Georgia Tax Credit for Adult Basic Skills Education	8
Tax Allocation Districts (TADs)	8
Nashville, TN	8
Mayor’s Office of Economic Opportunity and Empowerment*	9
Financial Empowerment Centers*	9
Nashville Poverty Reduction Initiative/Nashville Poverty Council	10
Promise Zone	10
Nashville Promise Neighborhood	11
WORKFORCE DEVELOPMENT EXAMPLES	12
Wichita, KS	12
Career Pathways Initiative	12
Paducah, KY	12
Accelerate You	12
Boston, MA	13
Bridges to College	13
Memphis, TN	14
Greater Memphis Alliance for a Competitive Workforce	14
Nashville, TN	14
Nashville Workforce Network	14

AFFORDABLE HOUSING EXAMPLES

Memphis, TN

Innovation District, Sustainable Communities Initiative (SCI) Regional Planning Grant, Choice Neighborhoods Implementation Grant, Central Business Improvement District, Downtown PILOT Program, Unified Development Code, Greater Memphis Partnership

Edge Innovation District

Memphis was one of four cities selected for the [Urban Land Institute](#)'s 2013-2014 Rose Center for Public Leadership fellowships. The group selected the creation of an innovation district at the Medical Center as Memphis' land use challenge. Smaller outdoor projects, such as the renovation of a vacant lot into a Wiffle ball field or creating a space for a bocce court, are expected to spark social connections in the community.

Reid Dulberger is Memphis and Shelby County's chief economic development officer and president of [EDGE](#), the area's economic development growth engine. Dulberger hopes to see some additional space planned for young start-up firms and those emerging from the incubator at Memphis Bioworks Foundation. "Anything that can increase the density, make us more attractive to talent, and bring more amenities into this area is a benefit to the stakeholders and to the mission that we have," says Dr. Steven J. Bares, president and executive director of Memphis Bioworks Foundation.

"Over the last few years we've built an ecosystem with a pipeline of capabilities, talent, growth and new energy, and we've begun to see companies emerging and looking for space," says Bares, who points out that there are many vacant buildings between the medical district and downtown. "Part of the value of the innovation district is that we are creating the companies that can go there. We need to create a process for them to relocate there, so instead of being blighted buildings that everyone drives past they will be part of vibrancy and the density of the region," says Bares.

Beth Flanagan, director of the Memphis Medical Center, believes more entrepreneurs, faculty members and students would love to be able to walk to and from their jobs and/or classes. "There are apartment developers who are looking in this area to do some new projects," she says. "Victorian Village has a seven-home project coming up in which the developer had to get a zoning variance in order to densify the lot." She also feels there is pent-up demand for more retail.

LINKS

<http://www.highgroundnews.com/features/innovationdistrict031914.aspx>

<http://uli.org/research/centers-initiatives/daniel-rose-center-for-public-leadership-in-land-use/fellowship/2013-2014-daniel-rose-fellows/memphis-tn/>

Sustainable Communities Initiative (SCI) Regional Planning Grant

City of Memphis, TN and Shelby County, TN focused their SCI grant work on the development of the transportation and distribution sector by focusing on the local 'Aerotropolis' air shipping hub.

Since 1973, Memphis, TN airport has served as the primary distribution hub for FedEx cargo airline which has served as one of the largest economic drivers of the region. Between a lack of adequate

Appendix D – Local Innovative Policy Examples

logistics training and an inability to find transportation, many citizens were unable to hold jobs at the massive distribution center. Bolstered by a \$1.2 million HUD SCI grant, the City of Memphis, FedEx and the Memphis Chamber of Commerce assembled a coalition of corporate and philanthropic partners, post-secondary education and trade institutions, to plan for the development of a logistics job training center. This project, dubbed the 'Aerotropolis,' will aim to offer programs related to aeronautics, logistics, manufacturing, bio-logistics, bio-life sciences, and employment readiness training. The city projects the implementation of the HUD funded Aerotropolis plan will result in the creation of 15,000 direct jobs over the first twenty years.

Using a \$2.6 million HUD SCI regional grant, comprising the tri-state region surrounding Memphis, Shelby County, TN developed a plan to strengthen the region's transportation network to better connect people with employment centers. As a result, the county established priorities for new bus routes, greenways, bike routes and other alternatives to make jobs more accessible to area residents, including those who do not have access to a car. Additionally, as a result of the robust groundwork laid with SCI integrated planning grant, Memphis was selected to receive \$15 million in DOT TIGER IV funds for a riverfront bridge and boardwalk redevelopment that is halfway completed.

NOTE: Volkswagen may be interested in this kind of partnership for a job training center relevant to their work (advanced manufacturing, engineer, etc.), especially given their new engineering and planning center in Chattanooga.

LINKS

<https://www.hudexchange.info/resources/documents/SCI-Snapshots-Workforce-Development-and-Training.pdf>

Choice Neighborhoods Implementation Grant

In Memphis, Tenn., the Memphis Housing Authority and the city of Memphis were awarded a \$29.75 million Choice Neighborhoods Implementation Grant to revitalize the South City neighborhood. Historically, the South City neighborhood experienced the negative effects of concentrated poverty, deteriorated housing, incompatible land use and high rates of unemployment and violent crime. Additionally, within South City is Foote Homes – the last remaining traditional public housing development in Memphis.

In the late 1990s, several investments in the neighborhood were made, including the establishment of commercial centers and the Memphis Grizzlies' FedEx Forum. By 2009, the community built on these investments and began to create a new vision for the area. A FY2010 Choice Neighborhoods Planning Grant accelerated this process, bringing together the Memphis Housing Authority, city, University of Memphis, Metropolitan Interfaith Association, police, schools and neighbors to create a plan.

Through the Choice Neighborhoods Implementation Grant, the deteriorating, 420-unit Foote Homes development will be replaced with a 600-unit, mixed-income and multi-generational community built to market-rate standards and designed to complement the surrounding neighborhood. To bolster the housing strategy, the plan proposes key neighborhood improvements, such as the creation of retail, including grocery stores, an early education center, a small business micro-loan fund, improved transit, historic preservation initiatives, and education and job opportunities for families. The plan will also pilot the city's Blueprint for Prosperity for the children and families of South City, including a comprehensive

Appendix D – Local Innovative Policy Examples

case management system; access to a network of medical care providers and amenities that facilitate healthy lifestyles; proven employment programs; and an extensive series of educational supports for children of all ages.

LINKS

http://portal.hud.gov/hudportal/documents/huddoc?id=CNTANwsltrJan16_Issue46.pdf

<http://portal.hud.gov/hudportal/documents/huddoc?id=ProjectSummFinalFY1415.pdf>

Central Business Improvement District

As the regional center for culture, business, and medicine, the Central Business Improvement District (CBID) was established as an area that required special redevelopment attention in order to ensure the economic growth and vitality of the entire community. [Click here to view a CBID map.](#)

There are a variety of services and benefits to being located within the CBID:

- Development projects in the CBID are eligible for reduced interest rate loans that are available only through DMC programs.
- Some loans and grants and technical assistance are available to businesses in the CBID.
- The DMC works in partnership with businesses and organizations in the CBID, such as the Medical District.
- Federal office facilities give preference to the CBID for new locations.
- The DMC works with neighborhood associations in the CBID to develop and attract new businesses.
- New development, such as hotels and multi-family housing, are encouraged because of tax benefits available only in the CBID.

Commercial property is assessed at a rate of 65 cents per \$100 of assessed valuation. (Assessed valuation is only 40 percent of the property's appraised value.) No residential or tax-exempt properties are assessed. Based on the current assessed value of commercial properties in the CBID, the annual assessment generates approximately \$2.8 million. The funds from the CBID assessment are used by the DMC to provide such services as technical assistance, professional planning and promotional support, design assistance, public improvements, and business recruitment, as well as management assistance relating to traffic, parking, maintenance, security, and other public issues.

LINKS

<http://www.downtownmemphiscommission.com/about/faq/>

Downtown PILOT (Payment-in-lieu-of-tax) Program

The Downtown PILOT (Payment-in-lieu-of-tax) Program is a financial incentive designed to encourage commercial real estate development in and around the [Central Business Improvement District \(CBID\)](#) by holding property taxes at the predevelopment level for a set amount of time. To be eligible for a PILOT, the value of the building renovations, site improvements, or new construction must be equal to or greater than sixty percent (60%) of the total project cost.

Appendix D – Local Innovative Policy Examples

At the end of the PILOT lease, the property returns to the tax rolls at the improved value, dramatically increasing the taxes due the City and County. In addition, the City and County benefit from the increased values related to properties surrounding a PILOT project, which could not have occurred without the PILOT generated improvements. The Downtown Property PILOT program is specifically designed to encourage high-quality, catalytic development projects. This incentive does not cover issues such as job creation or job retention. The sole purpose of this program is to spur development Downtown as a way to improve the overall economy of Memphis and Shelby County.

Also, Downtown Property PILOTs are reserved for projects that would otherwise not happen. The applicant must demonstrate that the development project would not be financially feasible without a PILOT. The most critical qualifying criteria is the “but for” test. That is, but for the tax incentive provided by the PILOT, the project to improve the property would not be financially viable.

LINKS

<http://www.downtownmemphiscommission.com/develop-property/pilot-program/>

List of all active PILOT projects:

<http://www.downtownmemphiscommission.com/sites/526/uploaded/files/ActivePILOTs.pdf>

Unified Development Code

Code Studio prepared a unified development code for the City of Memphis and surrounding Shelby County. The unified development code is the first for the area, and incorporates the zoning and subdivision ordinances into one consolidated document. The Memphis and Shelby County planning region spans the full range of development intensity—from dense urban core to rural farmland. Subsequently, the new code accommodates a broad development typology while remaining easy-to-use by administrators, developers and the general public.

The new code is not just a rehash of the existing regulations. It represents a substantial shift in the approach to regulation—supported by a committee of developers, engineers, architects and planners—and draws on such recent efforts as Sustainable Shelby to provide a long-term foundation for new development patterns. The code not only enables smart infill, it improves the quality of development across the board, and integrates street and streetscape design with adjacent development. View the adopted code [here](#).

LINKS

<http://code-studio.com/projects/unified-development-code/>

<http://www.shelbycountyttn.gov/index.aspx?NID=924>

Greater Memphis Partnership

The Greater Memphis Partnership (GMP) is the cross-sector partnership that led the development of the Greater Memphis Neighborhood Plan (GMN) in 2009. Since 2009 the group has expanded and continues as the Advisory Board of Community LIFT, which was the leading recommendation of the GMN plan - the creation of Memphis' only economic and community development

Appendix D – Local Innovative Policy Examples

intermediary. Additionally, the GMP serves as the governing body over the Building Neighborhood Capacity Program (BNCP) federal grant.

Community LIFT was created in 2010 by the GMP, as a local community development intermediary to fill the void of scaled, comprehensive neighborhood redevelopment. LIFT acts as a clearinghouse that aggressively pursues sources of financial, human and intellectual capital. LIFT has an affiliate “emerging” Community Development Financial Institution (CDFI), or non-traditional bank, River City Capital Investment Corporation (River City). LIFT's four goals are to revitalize distressed neighborhoods, build human capacity, improve economic conditions, and improve quality of life.

LINKS

<http://www.communitylift.org/greater-memphis-partnership>

<http://www.communitylift.org/mission-background>

Columbus, GA

Employer-Assisted Housing, Enterprise Zone, Enterprise Zone/Brownfield Initiative, Tax Allocation for Adult Basic Skills Education, Tax Allocation Districts

Employer-Assisted Housing

AFLAC is headquartered in Columbus, Ga., where it locally employs 4,400 people. In an effort to improve employee morale and increase productivity, AFLAC partnered with NeighborWorks™ (formerly the Columbus Housing Initiative) to launch an EAH program in 2002. The program is restricted to first time buyers and offers \$1,000 “with no strings attached” that goes toward the purchase of a home. AFLAC also offers an additional \$4,000 to employees who buy houses in targeted neighborhoods (however, the company did not find a higher number of employees purchasing homes in those areas). The program also requires that participants go through financial assessment and counseling to determine the best plan for them (what can they afford, whether they should buy now or later, family budgeting, etc.).

NeighborWorks™ conducts the counseling, grant administration, and mortgage brokering, while AFLAC is responsible for the grant funding and the marketing efforts towards its employees. The results of AFLAC's program are encouraging: of the 200 employees who participated in the program, 44 of them bought houses. Of that 44, 72% “feel Aflac's financial contribution to EAH will influence their decision to remain with the company”. In a show of affirmation and support, AFLAC expanded the total funding for their own program and also donated \$250,000 to NeighborWorks's™ Walk to Work Program. The program continues to run to this day.

LINKS

https://www.academia.edu/7671523/An_Analysis_of_Employer-Assisted_Housing_Programs_for_the_City_of_Pittsburgh

<http://www.nw2.org/WinningStrategies/display.asp?strategy=1280&offset=33>

Enterprise Zone

The Columbus Business Development Center, the city's Enterprise Zone, was established to revitalize the area's residential neighborhoods, while creating and retaining jobs for its residents. Business and residential developments, which plan to invest in this area, are given special state and local tax incentives as well as other possible fee exemptions.

Businesses/residential developments, which locate within the Enterprise Zone, may receive tax abatements for the first ten years of operation, excluding property taxes imposed by school districts. Other incentives that may be granted include exemption from any of the following: building permit fees, sign permit fees, business license administration fees, rezoning fees, engineering fees, and other local fees authorized by City Council.

In order to be eligible for incentives, eligible businesses must:

- Increase employment by 5 or more [new full-time](#) jobs;
- Maintain the jobs for the duration of the tax exemption period;
- Whenever possible, at least 10% of the new employees filling the jobs that satisfy the job creation requirement should be [low or moderate income individuals](#);
- Provide economic stimulus with sufficient quantity and quality as shall be determined by the local government; and
- Such business or service enterprise may be new, an expansion, or reinvestment of an existing business or service enterprise, or a successor to such business or service enterprise.

To qualify for tax exemption for the housing enterprise zone, to include new residential construction, residential rehabilitation, or other rehabilitation of an existing structure, the value of the improvement must:

- Exceed the value of the land by a ratio of five to one (exceptions apply to ANY entity); and
- In no event shall the value of the property tax exceptions granted to qualifying business or service enterprises within an enterprise zone created by the City exceed 10% of the value of the property tax digest of the jurisdiction.

LINKS

<http://www.columbusga.org/planning/Special-Projects/Enterprise-Zone/>

<http://www.columbusga.org/planning/Comp-Plan/Assessment-Technical-Part-1.pdf>

Enterprise Zone Brownfield Initiative

Columbus received special Brownfield funding for the U.S. Environmental Protection Agency in 2002. The grant was for \$200,000 and targets former industrial properties in the city's Enterprise Zone. This initiative will help reverse the negative effects of underutilized property in one of the city's most economically distressed industrial and residential areas. Most properties available for redevelopment in this area were from old, vacant industrial, commercial, or manufacturing facilities and have suffered from industrial plant closings and general neglect due, in part, to unknown environmental problems. The grant was intended to help facilitate the economic renewal in the area and improve residents' quality of life. The money was used to increase community involvement in this issue, select target sites, perform environmental site assessments, and prepare clean-up plans.

LINKS

<http://www.columbusga.org/planning/Comp-Plan/Assessment-Technical-Part-1.pdf>

Technical College System of Georgia Tax Credit for Adult Basic Skills Education

The Georgia Tax Credit for Adult Basic Skills Education is designed to encourage businesses to provide or sponsor basic skills education programs for their employees. Business enterprises may benefit by providing or sponsoring for their employees basic education skills that enhance reading, writing, or mathematical skills up to and including the 12th grade level.

The amount of tax credit shall be equal to one-third of the costs of education per fulltime equivalent student, or \$150.00 per full-time equivalent student, whichever is less, for each employee who has successfully completed an approved adult basic skills education program. The tax credit granted to any employer pursuant to the Code shall not exceed the amount of the taxpayer's income liability for the taxable year as computed without regard to this Code section.

The Columbus Technical College is the local partner on this initiative.

LINKS

<http://www.dca.state.ga.us/economic/TaxCredits/programs/downloads/EconDevFinancingPacket.pdf>

Tax Allocation Districts (TADs)

Once a city or county establishes a TAD, revenue bonds can be issued to remedy infrastructure and environmental problems and other issues that might keep potential developers at bay. The renovations pave the way for investors to develop commercial and residential projects that increase revenue and can create jobs.

The extra tax revenue created by the development is then used to repay the revenue bonds over the life of the TAD, usually 20-30 years. Then the extra revenue goes into city and school district coffers. During the life of the TAD, the city and schools receive the same property tax proceeds from the district that they would have received otherwise, so TADs do not cut into existing revenue.

The City of Columbus received the power to establish TADs in 2014 through a ballot initiative that was approved by a majority of voters.

LINKS

<http://www.ledger-enquirer.com/news/local/article65425052.html#storylink=cpy>

Example TAD proposal from the City of Columbus:

http://www.columbusga.org/Planning/pdfs/TAD_RiverDist.pdf

Nashville, TN

Mayor's Office of Economic Opportunity and Empowerment, Financial Empowerment Centers, Nashville Poverty Reduction Initiative/Nashville Poverty Council, Promise Zone, Nashville Promise Neighborhood

NOTE: Nashville's Metro Council passed an inclusionary housing ordinance in September.

Mayor's Office of Economic Opportunity and Empowerment

The Mayor's Office of Economic Opportunity and Empowerment (OEOE) seeks to ensure that Nashville's growth results in an increased quality of life for all Nashvillians through innovation and collaboration across Nashville's economic opportunity efforts. With an emphasis on social and economic equity, OEOE currently focuses on the following economic opportunity priority areas:

- **Affordable Housing**: Increase access to safe and affordable housing
Mayor Megan Barry's Housing Priorities will focus on how Metro Nashville can fund, build, preserve, and retain affordable housing options. The Mayor's Office will utilize this approach in setting housing policy initiatives each year, allowing the city to track benchmark data and progress. Ultimately, these efforts seek to ensure access to affordable and workforce housing options near transportation and employment opportunities, creating quality of life for all Nashvillians.
- **Financial Empowerment**: Increase access to financial stability through the [Financial Empowerment Center](#) and other financial empowerment tools
- **Homelessness**: Work closely with the Metropolitan Homelessness Commission and service providers to end homelessness in Nashville
- **Workforce Development**: Increase access to quality jobs and wages

LINKS

<http://www.nashville.gov/Mayors-Office/Economic-Opportunity-and-Empowerment.aspx>

<http://www.tennessean.com/story/news/politics/2015/10/29/barry-office-focused-affordable-housing-workforce/74797504/>

Financial Empowerment Centers

IN 2013, Nashville was selected as one of five cities to receive a grant to help low-income residents reduce debt and build assets through free, one-on-one financial counseling incorporated into existing services offered in the city. The Office of Mayor Karl Dean and United Way of Metropolitan Nashville are partners in the grant funded by Bloomberg Philanthropies and Living Cities' Cities for Financial Empowerment (CFE) Fund.

The three-year grant will serve an estimated 5,000 Nashvillians at Financial Empowerment Centers, which will be run by United Way of Metropolitan Nashville. At the Centers, financial counselors will teach clients how to open safe and affordable checking accounts, establish a credit score, maintain a positive balance, decrease debt and maintain savings. In addition to financial counseling, the model has a strong focus on integrating with other services driving toward self-sufficiency, including benefits enrollment, family stabilization services, workforce training and job placement, housing, and other supports.

LINKS

<https://www.nashville.gov/News-Media/News-Article/ID/1164/Nashville-Receives-2-Million-Grant-from-Bloomberg-Philanthropies-and-Living-Cities-Fund-to-Help-LowIncome-Residents-Reduce-Debt-Build-Assets.aspx>

Appendix D – Local Innovative Policy Examples

Nashville Poverty Reduction Initiative/Nashville Poverty Council

The Metropolitan Action Commission and the Nashville Chamber Public Benefit Foundation, working with many other organizations, began an initiative to reduce poverty in our community. Working with hundreds of Nashville's city leaders, advocates, organizations and residents, seven Action Teams developed a Poverty Reduction Initiative Plan on the key issues Child Care, Economic Opportunity, Food, Health Care, Housing, Neighborhood Development and Workforce Development. In 2010, Metropolitan Social Services created the public-private Nashville Poverty Council and implementation teams to address the recommendations.

Some of the housing and workforce strategies they have pursued are listed below:

- Develop a formal outreach process to identify those in need of housing and the needs are.
- Create a repository of information that identifies housing service providers and education options
- Develop a process and outreach program to link need with housing services providers.
- Create a measurement system that tracks and maps housing demand, supply, and where money goes.
- Provide a customer –friendly region-wide database of information on employment and training opportunities.
- Provide quarterly workshops for business in order to lower barriers and increase cultural sensitivity in the employment process.

LINKS

<http://www.nashville.gov/Social-Services/Planning-And-Coordination/Poverty-Reduction.aspx>

https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&cad=rja&uact=8&ved=0ahUK EwiGrc_0otbPAhWDGR4KHbwiDTQQFggjMAE&url=http%3A%2F%2Fwww.atlantaregional.com%2FFile%2520Library%2FLocal%2520Gov%2520Services%2Feluc_poverty_nov13_metros_research.pdf&usg=AFQjCNGMXSFzv-S1U8kTfey1WEkwa03wfg

Promise Zone

The Nashville Promise Zone (NPZ) comprises 46-square miles, including the neighborhoods just south, east, and north of Nashville's central business district (9.67 percent of Metropolitan Nashville, Davidson County). The Metropolitan Development and Housing Agency (MDHA) is working in partnership with the Mayor's office, six implementation partners and more than 87 supporting partners from government, local institutions, nonprofits, and community organizations. These promise zone partners have come together to undertake a collaborative effort to socially and economically transform the community.

MDHA and its partners have identified the following six goals to improve the quality of life and accelerate revitalization: 1) Create Jobs 2) Spur Economic Activity 3) Expand Educational Opportunities 4) Reduce Violent Crime 5) Increase Access To Quality Affordable Housing 6) Improve Community Infrastructure.

LINKS

http://portal.hud.gov/hudportal/documents/huddoc?id=Nashville_Zone_3rd.pdf

<https://www.nashville.gov/News-Media/News-Article/ID/5355/HUD-Awards-Nashville-Communities-with-Promise-Zone-Designation.aspx>

Nashville Promise Neighborhood

The Nashville Promise Neighborhood is a collaborative network of services and supports which result in the following:

- Successful students
- Healthy families
- Vibrant neighborhoods
- Graduates moving on to college and career

We promise to work together to provide an effective cradle-to-career continuum of services for the 6,000+ school-age children and their families in the Stratford cluster. We promise to bring together government organizations, non-profits, schools, universities and neighbors to create a network of effective, year-round supports for the Nashville Promise Neighborhood. We promise to ensure access for all neighborhood residents - regardless of age, income level, or education - to a range of family and community supports.

In addition to children growing up healthy and students are ready to succeed in school, the third "Nashville Promise" is that families are healthy and live in vibrant neighborhoods - including connecting families to supportive networks and needed services; families have steady employment; neighborhoods are safe and free of violence and crime.

LINKS

<http://www.nashvillepromise.org/promise>

WORKFORCE DEVELOPMENT EXAMPLES

Wichita, KS

Career Pathways Initiative

The Workforce Alliance of South Central Kansas, the Workforce Development Board serving Wichita, Kansas and the surrounding rural areas, has convened local partners to build career pathways for careers in aviation, healthcare and advanced manufacturing. Each of the pathways incorporates the elements of the career pathways model -- alignment with industry, stackable credentials, accelerated/integrated education and training, multiple entry and exit points, intensive supports and the flexibility to meet the needs of adults. Partners include the Wichita Workforce Center, the local TANF agency, adult basic education providers and other community-based organizations, employers, Wichita Area Technical College, economic development agencies and others. All stakeholders working together developed common intake and assessment processes, and developed braided funding and co-enrollment strategies to support the initiative. They began with an asset mapping exercise involving stakeholders who together identified common services and resources, duplications, and gaps, for their mutual customers – low-skilled adults. Taskforce members were decision-makers from their organizations who were empowered to make decisions for the organizations and to make changes that were agreed to by the task force. Other task force members met with employers to identify specific needs, design a curriculum and the employers' role in the program.

The aviation pathway provides one example: the Workforce Center and community-based organizations recruit individuals and provide support as they work their way through the program. The first step of the pathway is a class that combines GED instruction (for those who need it) with OSHA-10 and Advanced Aerostructures. Once students pass a competency test they are guaranteed an interview, and are eligible for a job if they pass a WorkKeys assessment. Students who wish to gain higher level credentials can apply their initial credential to the next step along the career ladder, a program in Advance Aerostructures.

LINKS

http://workforce-ks.com/programs_type/preparation-for-aviationadvanced-career-employment-system-program-paces/

Paducah, KY

Accelerate You

The Accelerate You program at West Kentucky Community and Technical College (WKCTC) allows adult education students to co-enroll in college-level courses in the college's Applied Technology and Health Science Technology programs. These students receive contextualized instruction in math, reading and writing before and during their technical courses. The program allows students to begin training for their career of choice immediately, avoiding the cost and time of non-credit coursework. The model is based on the i-BEST model developed by the Washington State Community College System, and replicated through a national initiative, Accelerating Opportunity (AO)

Appendix D – Local Innovative Policy Examples

AO involves 103 colleges in the states of Illinois, Kentucky, Kansas and Louisiana, all of which have designed pathways like those at WKCTC. Together they have developed 154, 12-credit pathways that lead to industry-aligned certificate programs that articulate to Associate Degree programs.

LINKS

<https://westkentucky.kctcs.edu/en/Academics/AccelerateYou.aspx>

<http://www.aspenwsi.org/wordpress/wp-content/uploads/Implementation-of-Accelerating-Opportunity-Final-Implementation-Findings-with-Lessons-for-the-Field.pdf>

<http://www.acceleratingopportunity.org/field-guide/>

Boston, MA

Bridges to College

Boston-based Jewish Vocational Services (JVS) operates the Bridges to College program, which serves about 100 students each year in an intensive 23-week program to improve their English, math and science skills and get them into college. The program is free for participants.

Most students hear about Bridges by word of mouth or other adult learning classes. They attend four days of classes per week (25 hours) and regularly meet with academic coaches, who also provide one-on-one tutoring. The program helps students fill out college applications, apply for financial aid, and choose a major.

As part of their training, students take a college seminar, which earns them three credits at Bunker Hill, a local community college. Those who successfully complete Bridges also get to take one three-credit class for free.

English classes focus on critical thinking, reading and writing. The math classes start with basic arithmetic and proceed up to intermediate algebra. Science classes for the biotech pathway students focus on chemistry and biology.

Most students later enroll in associate degree programs. In effect, students avoid paying for developmental education and enroll with six-credits. The program, which largely serves immigrants, also helps people adjusting to the United States and learning to better speak English.

Instituto Del Progreso Latino, an operator of a Bridge program in Chicago, has published a [step-by-step guide](#) for establishing Bridge programs serving low-skill adults.

LINKS

<http://www.jvs-boston.org/bridges-to-college>

http://www.idpl.org/images/publicationsPDFs/Instituto2010_HowToBuildBridgePrograms%20final.pdf

Memphis, TN

Greater Memphis Alliance for a Competitive Workforce

The Greater Memphis Alliance for a Competitive Workforce (GMACW) deploys a number of strategies to build a pipeline of high-skilled workers in the Memphis area. To build industry-driven career pathways, the alliance convened sector-based employer councils to define “career maps” that articulated granular skill requirements for key occupations. The alliance likewise convened education and training stakeholders to align their programs around industry career maps and skill requirements. The alliance emphasized that each training institution assume a unique and specific role along the career training continuum and that training credit articulated with all institutions handling training for other key occupations on a pathway map. Pathways maps and training providers are available to students and employers through an online portal administered by GMACW.

In addition to facilitating career pathways, GMACW works to identify and address training gaps as well as collect, analyze, and report data on local workforce skill requirements and hiring trends. To support workforce development, the alliance also advocates for policy and helps partners raise funding for workforce development programming. Lastly, the alliance regularly convenes service providers to, for example, develop a common work readiness assessment and facilitate shared resources towards common outcomes.

LINKS

<http://www.gmacw.com/about-us/>

Nashville, TN

Nashville Workforce Network

The Nashville Workforce Network brings together government, non-profit, and private partners focused on workforce development. The purpose of the Network is to improve agency capabilities and resources that help vulnerable populations enter the job market, sustain employment, and advance in their careers.

The Nashville Workforce Network grew out of the Mayor’s 2010 Poverty Initiative. Its focus as a Network is not on direct service, but rather on collective impact and capacity building. In collaboration, the Network has focused on professional development for members, many of whom are the only staff person focused on workforce development within a larger, more population-focused organization. The Network has identified effective practice in workforce development from around the country and facilitated trainings and opportunities for implementation and shared learning. Network-wide communication allows for job fairs, employment-readiness workshops, and other opportunities that organizations provide their clients to be opened up to the collective client base, expanding the impact of a single organization and expanding meaningful opportunities for job-seekers in the community. The Network includes 90 organizations, over 150 individual members, and a collective reach of over 23,000 people in the Middle Tennessee area.

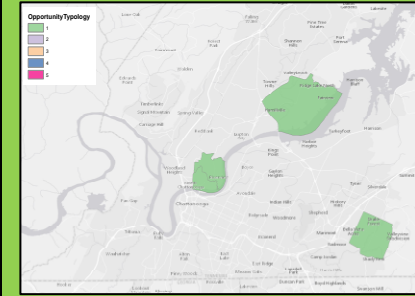
LINKS

<http://www.nashvilleworkforcenetwork.org/>

https://www.usich.gov/resources/uploads/asset_library/Nashville_Profile2015.pdf

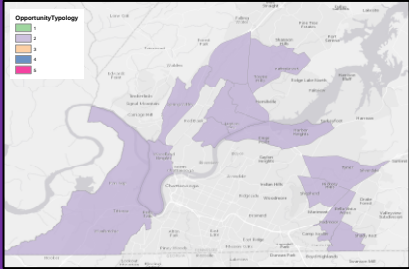
City of Chattanooga Communities of Opportunity Strategy Roadmap – DRAFT

Lower typology scores correspond to more opportunity rich communities.
Higher typology scores correspond to communities with limited opportunities.

COMMUNITIES OF OPPORTUNITY TYPE	OVERALL EXITING CONDITIONS	TYPOLGY METRICS	POTENTIAL STRATEGIES, POLICIES AND PROGRAMS	FINANCING MECHANISMS
<p>(1) OPPORTUNITY RICH</p> 	<p>HOUSING SECURITY: These areas have renters and owners without severe cost-burdens, and these households experience fewer housing problems (such as overcrowding or multiple families living together) than the city as a whole. Residents are also least likely to exhibit characteristics that make them more vulnerable to housing insecurity, such as age (children and older adults), race or ethnicity, or other special characteristics, such as having a disability or being a veteran.</p> <p>HOUSING MARKET: Rental and ownership housing options are more expensive compared to the overall city average, as evidenced by a small share of rental units affordable to residents making 50 percent of area median income and homes to residents making 80 percent of area median income and higher rents and home values above the citywide median. Very few of the City's total federally assisted units are located in these areas, evidenced by a small share of project-based and rental assistance vouchers being used in them.</p> <p>RESIDENT MOBILITY: Residents have incomes above the citywide median and higher levels of educational attainment, as evidenced by a majority of residents in these areas with at least a high school degree. Unemployment and poverty affects residents at lower rates than the city as a whole, and fewer households rely on public assistance programs, as evidenced by low participation in free and reduced lunch programs and use of the earned income tax credit.</p> <p>RESIDENT CONNECTION: These areas exhibit poor “walkability,” located far from amenities and a built environment that is not comfortable for persons on foot or without vehicles.</p> <p>RESIDENT HEALTH: Residents generally exhibit good physical health, as evidenced by lower rates of chronic diseases like asthma, obesity, and diabetes, and healthier behaviors, such as not smoking or drinking heavily. These residents can easily access healthcare services, based on insurance, presence of doctors and dentists, and reported checkups.</p>	<ul style="list-style-type: none"> Median Rent = \$1,024 Median Housing Value = \$237,175 Median HH Income = \$64,211 % Minority = 13 % Poverty = 11 % Unemployed = 3 Median Year Built = 1966 % Federally Subsidized = 2 % Affordable to Renters = 18 % Affordable to Owners = 5 % Less than HS Diploma = 6 Jobs Accessible = 26,714 <p><i>Rental and ownership housing options are more expensive than in the rest of the City, but residents living in these areas can own or rent housing without severe cost-burdens or other housing problems. This is likely because residents have higher incomes, relative to the citywide median. Very few of the City's total federally assisted units are located in these areas and the built environment is not comfortable for persons on foot, making these areas difficult to access for those who have lower incomes or are transit-dependent.</i></p>	<p>OVERALL OBJECTIVE: PRESERVE EXISTING AND/OR DEVELOP AFFORDABLE HOUSING NEAR JOB CENTERS AND/OR TRANSIT.</p> <p>Affordable Housing</p> <ul style="list-style-type: none"> Provide financing to non-profit partners to acquire, rehab and secure the long-term affordability of housing in these census tracts, through longer-term affordability period resale restrictions, etc. Pursue Property Assessed Clean Energy (PACE) legislation to incorporate energy efficiency elements in existing or new residential development projects. Work with Anchor Institutions and other Employers to offer homebuyer assistance for low-income employees to incentivize “Live Where You Work”. Target federally funded projects for longer-term preservation efforts. <p>Workforce Development</p> <ul style="list-style-type: none"> Support “Live Where You Work” with CLT owned properties in these areas to support affordable housing development or homeownership opportunities. 	<p>Affordable Housing</p> <ul style="list-style-type: none"> LIHTCs PACE AHT HOME <p>Workforce Development</p> <ul style="list-style-type: none"> Private/Philanthropic Investment
	<p>HOUSING SECURITY: Residents living in these areas can own or rent housing without severe cost-burdens, and these households experience fewer housing problems (such as overcrowding or multiple families living together) than the city as a whole. Residents are also less likely to exhibit characteristics that make them more vulnerable to housing insecurity, such as age (children and older adults), race or ethnicity, or other special characteristics, such as having a disability or being a veteran than other parts of Chattanooga (but more so than higher opportunity areas).</p>	<ul style="list-style-type: none"> Median Rent = \$833 Median Housing Value = \$150,992 Median HH Income = \$49,162 % Minority = 20.9 % Poverty = 13.5 % Unemployed = 8.4 Median Year Built = 1976 % Federally Subsidized = 3.8 % Affordable to Renters = 35.1 % Affordable to Owners = 20.4 % Less than HS Diploma = 11.4 	<p>OVERALL OBJECTIVE: INCREASE AFFORDABLE HOUSING IN TARGET NEIGHBORHOODS THAT ARE EXPERIENCING MARKET PRESSURES, IMPROVE ACCESS TO SERVICE TYPE BUSINESSES.</p> <p>Affordable Housing</p> <ul style="list-style-type: none"> Direct code enforcement efforts as needed to target housing rehabilitation, regular maintenance of homes, and preservation of historical properties. Target incentives for individuals to rehabilitate homes in historic neighborhoods and neighborhood with older housing stock. 	<p>Affordable Housing</p> <ul style="list-style-type: none"> LIHTCs PACE AHT HOME <p>Workforce Development</p> <ul style="list-style-type: none"> BIDs

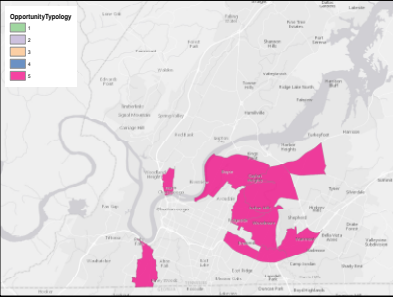
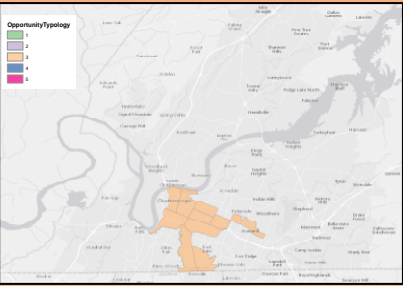
City of Chattanooga Communities of Opportunity Strategy Roadmap – DRAFT

Lower typology scores correspond to more opportunity rich communities.
Higher typology scores correspond to communities with limited opportunities.

<p>(2) EMERGING OPPORTUNITY</p> 	<p>HOUSING MARKET: Rental and ownership housing options are more expensive compared to other parts of Chattanooga, as evidenced by higher median rents and housing values. Compared to higher opportunity areas, these areas have a larger share of both affordable rental units to residents making 50 percent of area median income and homes to residents making 80 percent of area median income and rents and home values that exceed the citywide average/median. Very few of the City's total federally assisted units are located in these areas, evidenced by a small share of project-based and rental assistance vouchers being used in them.</p> <p>RESIDENT MOBILITY: Residents have incomes above the citywide median and higher levels of educational attainment, as evidenced by a majority of residents in these areas with at least a high school degree. Unemployment and poverty affects residents at lower rates than the city as a whole, and fewer households rely on public assistance programs, as evidenced by low participation in free and reduced lunch programs and use of the earned income tax credit.</p> <p>RESIDENT CONNECTION: These areas exhibit poor “walkability,” located far from amenities and a built environment that is not comfortable for persons on foot or without vehicles.</p> <p>RESIDENT HEALTH: Residents generally exhibit average physical health, as evidenced by average rates of chronic diseases like asthma, obesity, and diabetes, and healthier behaviors, such as not smoking or drinking heavily. These residents can access healthcare services, based on insurance, presence of doctors and dentists, and reported checkups, more easily than types 3 and 4, but not as easily as type 1.</p>	<ul style="list-style-type: none"> Jobs Accessible = 12,122 <p><i>These areas exhibit similar characteristics to Opportunity Rich areas, but suggest more needs related to economic mobility and inclusion, based on a higher rate of unemployment and fewer households with a high school diploma. These areas also have a higher share of households identifying as non-White, making them more likely to experience housing insecurity, and a higher share of households living in poverty. This area also has the most CTs of all opportunity types.</i></p>	<ul style="list-style-type: none"> Provide financing to non-profit partners to acquire, rehab and secure the long-term affordability of housing in these census tracts, through longer-term affordability period restrictions, etc. Pursue Property Assessed Clean Energy (PACE) legislation to incorporate energy efficiency elements in existing or new residential development projects. Reduce Impact Fees in exchange for new residential construction with affordable component in transit-accessible nodes. Develop a range of policies and programs to encourage or require affordable housing development in these submarkets. These policies and programs include inclusionary zoning, density bonuses, or tax abatements for new construction. Work with Anchor Institutions and other Employers to offer homebuyer assistance for employees to incentivize “Live Where You Work”. <p>Workforce Development</p> <ul style="list-style-type: none"> Prioritize recruitment for education, job placement and training services in these areas. Develop bridge programs in these areas to help residents prepare for post-secondary education and training Consider establishing a Business Improvement District (BID) along strong commercial corridors to create more service business opportunities. 	
<p>(3) TIPPING POINT</p>	<p>HOUSING SECURITY: Some, but not all, residents living in these areas can own or rent housing without severe cost-burdens, and these households experience average rates of housing problems (such as overcrowding or multiple families living together). Residents may exhibit one or more characteristics that make them more vulnerable to housing insecurity, such as age (children and older adults), race or ethnicity, or other special characteristics, such as having a disability or being a veteran than higher opportunity areas).</p> <p>HOUSING MARKET: Rental and ownership housing options largely track with the citywide trends. These areas have a large share of both affordable rental units to residents making 50 percent of area median income and homes to residents making 80 percent of area median income and rents and home values on par with the citywide median. These areas have some of the City's total federally assisted units, including more than those in Losing Connectivity, evidenced by a higher percentage of project-based and rental assistance vouchers being used in them.</p> <p>RESIDENT MOBILITY: Residents have incomes in line or slightly higher than the citywide median income and some residents lack the education, as evidenced by a higher share of residents in</p>	<ul style="list-style-type: none"> Median Rent = \$732 Median Housing Value = \$110,050 Median HH Income = \$38,694 % Minority = 58 % Poverty = 19 % Unemployed = 8.5 Median Year Built = 1960 % Federally Subsidized = 18.5 % Affordable to Renters = 52.7 % Affordable to Owners = 44.3 % Less than HS Diploma = 14 Jobs Accessible = 19,288 <p><i>Some, but not all, residents living in these areas can own or rent housing without severe cost-burdens, and these households experience average rates of housing problems. Residents have incomes in line or slightly higher than the citywide median, but some residents lack the education to</i></p>	<p>OVERALL OBJECTIVE: PRESERVE EXISTING MARKET RATE HOUSING, DEVELOP WORKFORCE HOUSING AND ATTRACT COMMERCIAL DEVELOPMENT.</p> <p>Affordable Housing</p> <ul style="list-style-type: none"> Integrate neighborhood or corridor-level place-making and promotional activities to incorporate neighborhood rebranding into city-wide rebranding efforts. Develop priority areas for infill development and align capital improvement priorities and code enforcement efforts to support infill development in these areas. Target missing middle housing initiative in these areas, prioritizing transit-accessible locations where possible. Provide capital subsidies to enable individuals, non-profit housing developers or CDCs to develop, rehabilitate, and/or reconfigure abandoned/vacant properties or exiting housing stock to sell to low/mod homebuyers (to fit the needs of the market) Partner with a non-profit to build small-scale development capacity (e.g., host trainings on preparing rehabilitation plans and securing financing for rehab projects). 	<p>Affordable Housing</p> <ul style="list-style-type: none"> Affordable Housing Trust Housing PILOT Program CDBG (NRSA) HOME CE revolving loan fund for rehabilitation projects HUD Section 4 capacity building grants for CHDOs and CDCs THDA – Competitive Trust Fund Bond Financing Foundation Grants Crowd Funding PACE <p>Workforce Development</p> <ul style="list-style-type: none"> Main Street Program

City of Chattanooga Communities of Opportunity Strategy Roadmap – DRAFT

Lower typology scores correspond to more opportunity rich communities.
Higher typology scores correspond to communities with limited opportunities.

	<p>these areas without a high school degree, to advance to higher-income jobs. Residents within these areas experience challenges related to employment nearly to the same degree of residents living in Type 2 areas, evidenced by nearly identical unemployment rates. Pockets of poverty, rather than widespread poverty, exists within these areas, with some households relying on public assistance programs, as evidenced by average participation in free and reduced lunch programs and use of the earned income tax credit.</p> <p>RESIDENT CONNECTION: These areas have average “walkability,” within general proximity to amenities and a built environment that is somewhat comfortable for persons on foot.</p> <p>RESIDENT HEALTH: Residents generally exhibit poorer physical health than other parts of the City, as evidenced by higher rates of chronic diseases like asthma, obesity, and diabetes, and fewer healthier behaviors, such as smoking or drinking heavily. These residents have more limited access to healthcare services, based on lower rates of insurance, presence of doctors and dentists, and reported checkups.</p>	<p>advance to higher-income jobs. These areas need a mix of strategies, tailored to the characteristics that fall below the citywide average, namely related to health, and to help preserve and broaden the opportunity that already exists in these places.</p>	<ul style="list-style-type: none"> • Preserve affordability of government-assisted properties by developing an early warning system that notifies ECD of properties that are at risk of losing affordability due to expiring subsidies. • Prioritize federal funding for missing middle housing types in specific target areas. • Align potential RAD conversion strategy with revitalization efforts to ensure highest priority categorization, targeting properties in these areas. • Focus Land Bank activities in these areas to assemble multiple adjacent vacant properties in strategic locations for future development <p>Workforce Development</p> <ul style="list-style-type: none"> • Prioritize education, job placement and training services in these areas. • Develop bridge programs in these areas to help residents prepare for post-secondary education and training • Consider a “Main Street” model to revitalize key commercial corridors, and incorporate innovative use of properties, including pop-up retail, hydroponics, worker space, etc. 	
<p>(4) LOSING CONNECTIVITY</p> 	<p>HOUSING SECURITY: Residents living in these areas likely cannot own or rent housing without severe cost-burdens, and these households experience more housing problems (such as overcrowding or multiple families living together) than the city as a whole. Residents are also more likely to exhibit characteristics that make them more vulnerable to housing insecurity, such as age (children and older adults), race or ethnicity, or other special characteristics, such as having a disability or being a veteran than higher opportunity areas).</p> <p>HOUSING MARKET: Rental and ownership housing options are less expensive compared to other parts of Chattanooga, evidenced by lower rents and housing values than the citywide median. Compared to higher opportunity areas, these areas have a larger share of both rental affordable to residents making 50 percent of area median income and homes to residents making 80 percent of area median income and higher rents and home values above the citywide median. A larger share of the City’s total federally assisted units are located in these areas, evidenced by a higher percentage of project-based and rental assistance vouchers being used in them.</p> <p>RESIDENT MOBILITY: Residents have incomes lower than the citywide median (between 50-80 percent AMI) and lower levels of educational attainment, as evidenced by a higher share of residents in these areas without a high school degree. Unemployment and poverty affects residents at lower rates than the city as a whole, and more households rely on public assistance programs, as evidenced by higher-than-average participation in free and reduced lunch programs and use of the earned income tax credit.</p> <p>RESIDENT CONNECTION: These areas would be considered “walkable,” with close proximity to amenities and a built</p>	<ul style="list-style-type: none"> • Median Rent = \$691 • Median Housing Value = \$146,370 • Median HH Income = \$26,810 • % Minority = 58.3 • % Poverty = 38.7 • % Unemployed = 13.7 • Median Year Built = 1949 • % Federally Subsidized = 14.8 • % Affordable to Renters = 50.2 • % Affordable to Owners = 44.5 • % Less than HS Diploma = 26.1 • Jobs Accessible = 44,715 <p>These areas have a locational advantage related to job access, since they are clustered in and around Downtown Chattanooga. Housing options are less expensive compared to other parts of Chattanooga, but residents living here cannot own or rent housing without severe cost-burdens or other housing problems. Residents tend to have incomes lower than the citywide median, lower levels of educational attainment, limited access to healthcare services and poorer physical health.</p>	<p>OVERALL OBJECTIVE: INCREASE RESIDENT ACCESS TO OPPORTUNITY THROUGH TARGETED CROSS-SECTOR STRATEGIES AND INVESTMENTS, FOCUSING ON HOUSING SECURITY AND ECONOMIC MOBILITY.</p> <p>Affordable Housing</p> <ul style="list-style-type: none"> • Prioritize access to opportunity in all development solicitations (specifically for Federal funds), giving points to applications that describe how the proposed development project increases access to opportunity specific to the area. • Pursue TOD development opportunities in conjunction with CLT to preserve long-term affordability. • Focus Land Bank activities in these areas to eliminate blight, and give nonprofits priority to bid on city-owned land-banked properties in specific target areas, and require land to be used to address opportunity deficiencies. • Support the formation of Community Development Corporations (CDC), if needed, to focus on weaker submarkets within these areas to support affordable housing redevelopment or new construction. • Target expiring affordable rental properties for preservation, prioritizing properties close to transit. • Pursue large-scale energy efficiency and green retrofits in target neighborhoods experiencing higher utility costs. • Align homebuyer programs with employer incentives to encourage workforce housing opportunities. • Reduce permitting time to encourage redevelopment and housing and commercial development in census tracts with weaker housing market conditions. • Identify areas within this category that would also benefit from inclusion in a neighborhood revitalization strategy area (NRSA). 	<p>Affordable Housing</p> <ul style="list-style-type: none"> • Affordable Housing Trust • Housing PILOT Program • CDBG (NRSA) • HOME • Section 108 • CE revolving loan fund for rehabilitation projects • HUD Section 4 capacity building grants for CHDOs and CDCs • THDA – Competitive Trust Fund • Bond Financing • Philanthropic/Foundation Grants • Crowd Funding • PACE or Green Capital Expenditure • Pre-development loans to support Brownfield revitalization • CRA – Motivated Investment • TIFs <p>Workforce Development</p> <ul style="list-style-type: none"> • SBIC,SBA, SBDC • NMTCs • Section 108

City of Chattanooga Communities of Opportunity Strategy Roadmap – DRAFT

Lower typology scores correspond to more opportunity rich communities.
 Higher typology scores correspond to communities with limited opportunities.

	<p>environment that is comfortable for persons on foot and accessible via public transit.</p> <p>RESIDENT HEALTH: Residents generally exhibit poorer physical health than higher opportunity areas, as evidenced by higher rates of chronic diseases like asthma, obesity, and diabetes, and fewer healthier behaviors, such as smoking or drinking heavily. These residents have more limited access to healthcare services, based on lower rates of insurance, presence of doctors and dentists, and reported checkups.</p>		<ul style="list-style-type: none"> Coordinate long-range planning with Public Works to target areas for development to align or reprioritize the capital improvement plans to support these activities. Align potential RAD conversion strategy with revitalization efforts to ensure highest priority categorization, targeting properties in these areas. Establish a Section 108 loan program to attract development to target areas (e.g., NRSA and brownfield sites). Pursue Property Assessed Clean Energy (PACE) legislation to make energy efficiency improvements to commercial, industrial, and residential properties to complement both infill and brownfield strategies. Partner with home equity insurance provider to provide equity protection insurance to potential homeowners that are looking to buy in areas with weaker but improving submarkets. Preserve affordability of government-assisted properties by developing an early warning system that notifies ECD of properties that are at risk of losing affordability due to expiring subsidies. Prioritize missing middle housing types in specific target areas. Prioritize access to opportunity in all development solicitations, giving points to applications that identify how the proposed development project increases access to opportunity. <p>Workforce Development</p> <ul style="list-style-type: none"> Prioritize Chatt 2.0 initiatives including Community Renewal Cluster in these areas. Build a coordinated systems of connections between education and training opportunities, employers, and support services. Identify pathways and services for those with criminal backgrounds and very low-skilled Work to bring TCAT, ChattState, college “bridge” programs, and other employment and training services to neighborhood locations. Coordinate with Land Bank on reuse of land bank properties to expand education, job training and employment services to these areas. Work with Anchor Institutions and other Employers to offer homebuyer assistance for low-income employees to incentivize “Live Where You Work”. This could be coordinated with CDBG NRSA to provide more mixed-income neighborhoods. Coordinate with Housing PILOT Program Developers to develop flex space within projects for use as incubators, training or educational space. Target commercial corridors in these areas for façade improvements and expansion opportunities, possibly incorporating policy tools like BIDs, BIAs, BRZs, CIDs, SSA, or SIDS. Prioritize CDBG funding for public services focusing on job training and job placement services, education and training. 	<ul style="list-style-type: none"> National Trust Community Investment Corporation – Equity Investments BIDs or NIDs Seek competitive grants from US DOE, DOL, HUD, to build education, training and job programs. Draw on DOL formula funds administered by the Southeast Development District to support education and training for residents eligible for vouchers. Access Tennessee ReConnect for residents with some college experience.
	<p>HOUSING SECURITY: Residents living in these areas likely cannot own or rent housing without severe cost-burdens, and these households experience the highest rates of housing problems (such as overcrowding or multiple families living together). Residents likely exhibit one or more characteristics that make</p>	<ul style="list-style-type: none"> Median Rent = \$562 Median Housing Value = \$77,440 Median HH Income = \$19,607 % Minority = 87.8 % Poverty = 48.3 	<p>OVERALL OBJECTIVE: INCREASE RESIDENT ACCESS TO OPPORTUNITY THROUGH TARGETED CROSS-SECTOR STRATEGIES AND INVESTMENTS, FOCUSING ON HOUSING SECURITY, HEALTH AND ECONOMIC MOBILITY.</p> <p>Affordable Housing</p>	<p>Affordable Housing</p> <ul style="list-style-type: none"> Affordable Housing Trust Housing PILOT Program CDBG (NRSA) HOME

City of Chattanooga Communities of Opportunity Strategy Roadmap – DRAFT

Lower typology scores correspond to more opportunity rich communities.
Higher typology scores correspond to communities with limited opportunities.

<div> <div>(5) OPPORTUNITY LIMITED</div> </div>	<p>them more vulnerable to housing insecurity, such as age (children and older adults), race or ethnicity, or other special characteristics, such as having a disability or being a veteran than higher opportunity areas).</p> <p>HOUSING MARKET: Rental and ownership housing options are less expensive compared to other parts of Chattanooga. These areas have a larger share of both affordable rental units to residents making 50 percent of area median income and homes to residents making 80 percent of area median income and lower rents and home values above the citywide median. The largest shares of the City’s total federally assisted units are located in these areas, evidenced by a higher percentage of project-based and rental assistance vouchers being used in them.</p> <p>RESIDENT MOBILITY: Residents have incomes much lower than the citywide median (slightly less than 50 percent AMI) and some of the lowest levels of educational attainment in Chattanooga, as evidenced by a higher share of residents in these areas without a high school degree. Residents within these areas likely experience challenges related to employment, evidenced by a high unemployment rates among these tracts. Poverty also likely affects residents within these areas, with more households relying on public assistance programs, as evidenced by higher-than-average participation in free and reduced lunch programs and use of the earned income tax credit.</p> <p>RESIDENT CONNECTION: These areas have the best “walkability” within Chattanooga, with close proximity to amenities and a built environment that is comfortable for persons on foot, and is accessible via public transit.</p> <p>RESIDENT HEALTH: Residents generally exhibit some of the poorest physical health in the city, as evidenced by the highest rates of chronic diseases like asthma, obesity, and diabetes, and prevalence of unhealthy behaviors, such as smoking or drinking heavily. These residents are least likely to have access to healthcare services, based on the lowest rates of insurance, presence of doctors and dentists, and reported checkups.</p>	<ul style="list-style-type: none"> • % Unemployed = 28.6 • Median Year Built = 1961 • % Federally Subsidized = 42.6 • % Affordable to Renters = 84.8 • % Affordable to Owners = 72.6 • % Less than HS Diploma = 28.1 • Jobs Accessible = 32,721 <p><i>These areas exhibit the highest rates of need across most dimensions of opportunity, except transit and infrastructure. These areas, like areas that are Losing Connectivity, have a pedestrian-friendly environment. These areas need a comprehensive, cross-sector approach to address issues related to housing insecurity and vulnerability, economic mobility and inclusion, and health and become communities of opportunity. These areas have the most affordable housing options for both renters and owners.</i></p>	<ul style="list-style-type: none"> • Direct a majority of code enforcement activities to specific target areas within these census tracts, targeting landlords or absentee properties owners. These efforts should be intensified prior to the start of redevelopment activities and capital improvements. CE revenue could capitalize a loan pool for the area to support rehabilitation. • Establish a CLT to secure long-term housing affordability of homeownership and rental housing. • Align residential code enforcement activities with referrals to local housing rehab programs. • Establish a rehabilitation loan pool (via AHT, Section 108, CE revenue, etc.) to initiate rehabilitation activities within these targeted census tracts, prioritizing comprehensive energy efficiency improvements. • Reduce permitting time to encourage redevelopment and new constructions of residential and commercial property. • Identify a target area with outcomes-based goals and establish a CDBG neighborhood revitalization strategy area (NRSA). An NRSA designation supports mixed-income development using added flexibility provided under CDBG regulations. • Target Housing PILOT Program in these areas to support and incentivize more mixed-income properties. • Align CHA’s FSS program participants with workforce development initiatives. • Align potential RAD conversion strategy with revitalization efforts to ensure highest priority categorization, targeting properties in these areas. • Leverage pedestrian friendly environment to align capital improvement priorities with place-making efforts to promote sense of community. • Establish a CDBG Section 108 loan program to catalyze and attract development in NRSA. • Focus Land Bank activities in these areas to eliminate blight, and give nonprofits priority to bid on city-owned land-banked properties in specific target areas, and require land to be used to address opportunity deficiencies. • Pursue Property Assessed Clean Energy (PACE) legislation to make energy efficiency improvements to commercial, industrial, and residential properties to complement both infill and brownfield adaptive reuse strategies. • Target Brownfield sites for acquisition, rehabilitation and reuse as facilities to deliver employment, education and/or health related services. • Partner with home equity insurance provider to provide equity protection insurance to potential homeowners that are looking to buy in areas with weaker but improving submarkets. • Explore zoning overlay or rezoning to encourage transit-supportive development in target areas and prioritize new construction within these areas. <p>Workforce Development</p> <ul style="list-style-type: none"> • Prioritize Chattanooga 2.0 initiatives including Community Renewal Cluster in these areas, to support NRSA efforts. 	<ul style="list-style-type: none"> • Section 108 • CE revolving loan fund for rehabilitation projects • HUD Section 4 capacity building grants for CHDOs and CDCs • THDA – Competitive Trust Fund • Bond Financing • Philanthropic/Foundation Grants • Crowd Funding • PACE or Green Capital Expenditure • Pre-development loans to support Brownfield revitalization • CRA – Motivated Investment • TIFs <p>Workforce Development</p> <ul style="list-style-type: none"> • SBIC,SBA, SBDC • NMTCs • Section 108 • National Trust Community Investment Corporation – Equity Investments • BIDs or NIDs • Seek competitive grants from US DOE, DOL, HUD, to build education, training and job programs. • Draw on DOL formula funds administered by the Southeast Development District to support education and training for residents eligible for vouchers. • Access Tennessee ReConnect for residents with some college experience.
---	---	--	--	---

City of Chattanooga Communities of Opportunity Strategy Roadmap – DRAFT

Lower typology scores correspond to more opportunity rich communities.
Higher typology scores correspond to communities with limited opportunities.

			<ul style="list-style-type: none">• Build a coordinated systems of connections between education and training opportunities, employers, and support services.• Identify pathways and services for those with criminal backgrounds and very low-skilled.• Work to bring TCAT, ChattState, college “bridge” programs, and other employment and training services to neighborhood locations.	
--	--	--	---	--

DRAFT

Appendix F. Housing and workforce development strategies

More than 35 affordable housing and workforce development stakeholders reviewed the *Communities of Opportunity Strategy Roadmap* during the “Bridging the Gap” workshop in October 2016. These stakeholders largely affirmed the need for a more coordinated effort between their respective sectors, noting that piloting a comprehensive approach to both housing and workforce development needs in a specific geographic location could start this effort.

Additional information—prioritized and missing affordable housing strategies and examples of workforce development strategies—are included below.

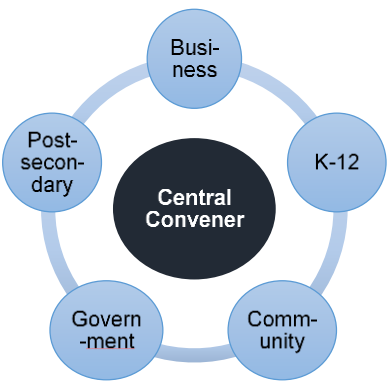
Appendix F. Housing and workforce development strategies

Affordable housing strategies

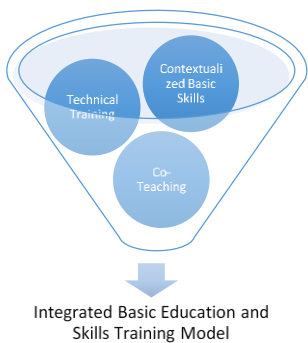
Table 1. Stakeholder feedback on proposed affordable housing and workforce development strategies from October 2016 workshop				
Type	Priority strategies	Missing strategies	Barriers	Partners
Opportunity rich	<ul style="list-style-type: none"> Target expiring affordable housing along transit access points Prioritize HOME/PILOT applications 	<ul style="list-style-type: none"> Target back-tax properties for income restrictions 	<ul style="list-style-type: none"> R1 zoning Storm water requirements 	<ul style="list-style-type: none"> CHA
Emerging opportunity	<ul style="list-style-type: none"> Prioritize HOME/PILOT applications Incentivize mixed-use projects that incorporate incubator/training space Work with private sector on a live/work/play homeownership program 	<ul style="list-style-type: none"> Targeted neighborhood 	<ul style="list-style-type: none"> Large area to cover 	<ul style="list-style-type: none"> Private sector (i.e. VW)
Tipping point	<ul style="list-style-type: none"> Incentivize developers to rehab vacant properties and pursue mixed-use development Build capacity of developers to build other products Develop priority infill areas for development with appropriate zoning and capital improvements and code enforcement Land assembly/CLT 			
Losing connectivity	<ul style="list-style-type: none"> Create a Community Development Corporation Preserve workforce housing Pursue large-scale energy retrofits 	<ul style="list-style-type: none"> Community Land Trust Better integration of workforce and education with youth and family development (YFD) centers 	<ul style="list-style-type: none"> Rising costs 	
Opportunity limited	<ul style="list-style-type: none"> Build a coordinated system of connection to education & training. Improve quality of existing housing. 	<ul style="list-style-type: none"> Strengthen (inclusive) neighborhood associations Investment in housing from local healthcare institutions Rental registry 	<ul style="list-style-type: none"> Public safety/crime Substandard housing 	

Workforce development strategies

A Coordinated System to Train Residents for High-Demand Jobs. Stakeholders involving community providers, educators, and others could work in a coordinated fashion with employers to identify high-demand jobs, recruit residents for education and training programs in those fields, and support residents to program completion and into the job. Such systems are commonly referred to as career pathways, defined as "well-articulated sequence[s] of education and training offerings." Their features include multiple entry points that accommodate participants entering at differing skill levels; multiple exit points at successively higher levels of education and employment; and services to support people as they pursue training and employment.

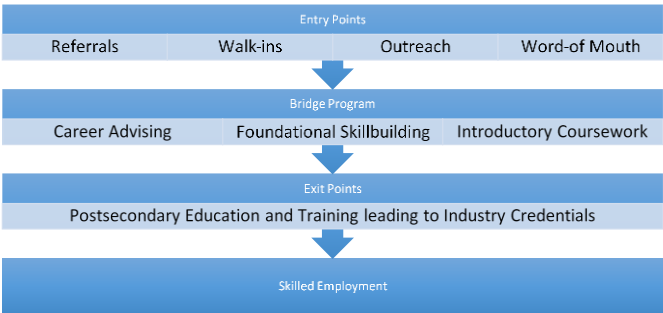


Such pathways illustrate explicitly how individuals access the training needed for specific careers, and the services that are available to support their progression along the pathway.

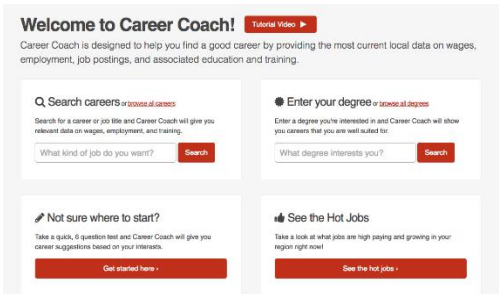


Integrated Adult Basic Education and Technical Training. Some certificate and degree programs teach foundational math and reading skills in the context of technical training. Still others offer “dual enrollment” in adult basic education and HiSET at the same time as technical training, such as TCAT programs. These programs have been found to accelerate student progress and improve persistence over “stand alone” Adult Basic Education or developmental education.

Neighborhood-Based Post-Secondary and “Bridge” Programs. “Bridge” programs provide services to prepare people for success in postsecondary programs such as certificate or degree programs at ChattState, TCAT, or elsewhere. Many of the current providers of employment services have the potential to expand their services to serve as bridge-to-college/postsecondary programs. Doing so would help create avenues to training that results in labor market credentials and higher-paying employment.



In addition, Chattanooga could identify locations to offer the services of the Tennessee Career Centers and certain courses of ChattState and TCAT downtown or in neighborhoods most in need. Many stakeholders spoke of the inaccessibility of these programs, given the geographic spread of Chattanooga and transportation challenges faced by many residents.



Job Portal. The Job Portal, as proposed by Chattanooga 2.0, would be an online tool to provide information on job opportunities and the specific skill and credential requirements of each, with information about where to access training for these credentials. The Job Portal would be a tool that could be used by students, residents, and their advisors, to map out a path to credentials with labor market value and a job in a high-demand field.

Appendix F. Housing and workforce development strategies